



QJA/BS/ISD/ISD-SEC-7/32504/2026-27

SECURITIES AND EXCHANGE BOARD OF INDIA

FINAL ORDER

**UNDER SECTIONS 11(1), 11(4), 11(4A), 11B(1) AND 11B(2) OF THE SECURITIES
AND EXCHANGE BOARD OF INDIA ACT, 1992**

In respect of:

#	Noticee	PAN
1.	Mr. Viresh Joshi	AAEPJ2694R
2.	Mr. Sumit Desai	ADQPD3744F
3.	Mr. Pranav Vora	ACYPV7581R
4.	Mr. Vaibhav Pandya	APPPP9112C
5.	Mr. Prijesh Kurani	AIQPK8093D
6.	Ms. Dharini Kurani	DAEPK6510G
7.	Ms. Rekha Kurani	AQCPK5061H
8.	Ms. Bharti Navnit Godaya	AAIPG6387Q
9.	M K B Bespoke Audio General	AANCM1557E
10.	Mr. Bindesh Kurani	ALHPK0623M
11.	Mr. Nishil Surendra Marfatia	ADWPM9452H
12.	Olga Trading Pvt. Ltd.	AACCO8900C
13.	Mr. Krunal Khamar	BAQPK2530J
14.	Mr. Kamlesh Arjundas Dhanrajani	AGZPD1657P
15.	Mr. Bhavin Shah	AAKPS2177G
16.	Ms. Rupal Bhavin Shah	AUWPS1058E
17.	Visa Capital Partners	AAGFV6839A
18.	Mr. Suresh K Jajoo	AAFPJ0070J
19.	Ms. Vimla S Jajoo	ADAPJ8747J

#	Noticee	PAN
20.	Mr. Ankit Jajoo	AIZPJ2803R
21.	Ms. Sheepra Sumeet Kabra	ADOPJ3255B

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

In the matter of front running of the trades of Axis Mutual Fund

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A. BACKGROUND

1. The alert system of Securities and Exchange Board of India (“**SEBI**”) generated front running alerts with respect to certain entities in trades of Axis Mutual Fund (“**Axis MF**”/ “**Big Client**”). Pursuant to the same, there are parallel and separate proceedings in SEBI at different stages involving different entities with respect to the trades of Axis MF.
2. The present proceedings pertain to the period from September 01, 2021 to March 31, 2022 (“**Investigation Period**”/ “**IP**”). The investigation was undertaken to ascertain whether certain entities have front run the trades of Big Client and have violated the provisions of the Securities and Exchange Board of India Act, 1992 (“**SEBI Act**”) and regulations framed thereunder including SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 (“**PFUTP Regulations**”).
3. During the investigation, it was found that Mr. Viresh Joshi (Noticee 1), who was the Chief Dealer of Axis MF, shared non-public information (“**NPI**”) about impending orders of Big Client to an external co-conspirator, Mr. Prijesh Kurani (Noticee 5). Mr. Prijesh on the instructions of Mr. Viresh would place orders in certain conduit / mule accounts (Noticees 6 to 21). Mr. Sumit Desai, Mr. Pranav Vora and Mr. Vaibhav Pandya (Noticees 2 to 4) aided Mr. Viresh in executing the alleged front running scheme by arranging the conduit / mule accounts and introducing Mr. Viresh to Mr. Prijesh. Accordingly, an Interim Order cum SCN (“**SCN**”) dated February 28, 2023 was passed, wherein SEBI directed impounding of INR 30,55,89,668.96 as the *prima facie* unlawful gains arising from the alleged front running activity, jointly and severally against the Noticees.

B. INTERIM ORDER CUM SHOW CAUSE NOTICE (SCN), REPLY, INSPECTION, HEARING AND CROSS-EXAMINATION

B.1 INTERIM ORDER CUM SHOW CAUSE NOTICE (SCN)

4. The *prima facie* conclusion arrived at in the Interim Order *cum* SCN is as follows:

- 4.1 Noticee 1 (Mr. Viresh Joshi) had access to NPI about the impending orders (stock name, quantity and timing) of the Big Client in his official capacity as a Chief Dealer of Axis MF. The private work environment created due to COVID-19 situation and the use of undisclosed mobile phone, enabled him to transmit the NPI of the Big Client.
- 4.2 Based on the cumulative assessment of the attending circumstances viz., depositions of Mr. Viresh Joshi (Noticee 1), Mr. Sumit Desai (Noticee 2) and Mr. Vaibhav Pandya (Noticee 4), whistleblower complaint dated January 19, 2022, analysis of CDRs, WhatsApp chats of Mr. Viresh, and trade related conversations of Mr. Prijesh Kurani (Noticee 5) with Mr. Bindesh Kurani (Noticee 10), Mr. Sumit, Mr. Pranav and Mr. Vaibhav (Noticees 2 and 4), it was *prima facie* observed on preponderance of probability that Mr. Viresh was engaged in communications with Mr. Prijesh, who is based in Dubai.
- 4.3 Mr. Prijesh (Noticee 5) used the Open Dealer Integrated Network (ODIN terminals)¹ provided by Marfatia Stock Broking Pvt. Ltd. (whose director is Noticee 11, Mr. Nishil Marfatia) and Woodstock Broking Pvt. Ltd. (whose director is Noticee 18, Mr. Suresh Jajoo) to place orders from Dubai.
- 4.4 On receipt of information through Apple FaceTime and BOTIM² from Mr. Viresh, Mr. Prijesh would then place *prima facie* front running orders in the accounts of 9 Noticees - Noticees 6 to 9 (Ms. Dharini, Ms. Rekha, Ms. Bharti, M K B Bespoke Audio General), Noticee 11 (Mr. Nishil Marfatia), Noticee 12 (Olga Trading Pvt.

¹ ODIN is a trading software provided by the brokers for placing orders in the accounts of its clients. If a user has login credentials of ODIN, a separate login ID and password is not needed to access the trading account of a client.

² BOTIM is an application available on iOS and Android, and is widely used in the Middle East for video and voice calls, messaging, group chats, money transfers, and related communication services.

Ltd.), Noticee 15 (Mr. Bhavin Shah), Noticee 16 (Ms. Rupal Shah), and Noticee 17 (Visa Capital Partners).

- 4.5 Noticees 6 to 10 are connected to Mr. Prijesh Kurani (Noticee 5) as follows, Ms. Dharini Kurani – Spouse, Ms. Rekha Kurani-Mother, Ms. Bharti Godaya – Mother-in-Law, Mr. Bindesh Kurani – Brother, M K B Bespoke Audio General –a Foreign Portfolio Investor (FPI) in which Mr. Bindesh is a director and authorized signatory.
- 4.6 Mr. Sumit Desai (Noticee 2) arranged the trading account of Noticee 17 (Visa Capital Partners). The partners of Noticee 17 are Noticee 18 (Mr. Suresh Jajoo), Noticee 19 (Ms. Vimla Jajoo), Noticee 20 (Mr. Ankit Jajoo) and Noticee 21 (Ms. Sheepra Kabra).
- 4.7 Mr. Sumit Desai (Noticee 2) used services of Noticee 3 (Mr. Pranav Vora) to arrange trading accounts of Noticee 11 (Mr. Nishil Marfatia), Noticee 12 (Olga Trading Pvt. Ltd.), Noticee 15 (Mr. Bhavin Shah) and Noticee 16 (Ms. Rupal Shah). Directors of Noticee 12 are Noticee 13 (Mr. Krunal) and Noticee 14 (Mr. Kamlesh). Noticee 4 (Mr. Vaibhav Pandya) is an employee of Mr. Sumit. Mr. Vaibhav was acting as an intermediary between Mr. Sumit and Mr. Prijesh.
- 4.8 An analysis of the orders executed from the accounts of Noticees 6 to 9, 11, 12, 15, 16 and 17 revealed that the order for the first leg of the intra-day trade (the front running leg) was placed from these trading accounts just prior to the impending orders of the Big Client and the second leg of the intra-day trade (squaring off trade) was set in motion by the front runners by placing the orders before the last tranche of the impending orders by the Big Client, in order to square off the position to earn profits. The said trades have followed either a Buy-Buy-Sell (BBS) pattern or a Sell-Sell-Buy (SSB) pattern.
- 4.9 For calculation of unlawful proceeds, number of scrip days where the Noticees have day traded and commonly traded with the Big Client and have earned a positive square off earning of INR 1 or more, have been taken into consideration and the profit so earned in the account of respective Noticees have been ascertained as below:

Table 1

#	Noticee no.	Trading Account	Wrongful Gains (INR)
1.	6	Ms. Dharini Kurani	2,79,23,321.24
2.	7	Ms. Rekha Kurani	1,40,36,644.95
3.	8	Ms. Bharati Navnit Godaya	96,65,397.50
4.	9	MKB Bespoke Audio General	1,82,99,428.25
5.	11	Mr. Nishil Surendra Marfatia	3,08,28,714.16
6.	12	Olga Trading Pvt. Ltd.	3,01,08,853.61
7.	15	Mr. Bhavin Shah	1,98,38,702.85
8.	16	Ms. Rupal Bhavin Shah	1,41,85,265.60
9.	17	Visa Capital Partners	14,07,03,340.80
Total (in INR)			30,55,89,668.96

4.10 From the deposition of Noticee 2 (Mr. Sumit Desai), it was found that the profit made through the scheme was transferred from other Noticees accounts to him through cash which he used to transfer further to Mr. Viresh Joshi (Noticee 1) in cash. On the same lines, Noticee 3 (Mr. Pranav Vora) has deposed that the profit made by employing the alleged scheme was transferred from other Noticees accounts to Mr. Sumit Desai (Noticee 2) through *Angadias*³.

B.2 INSPECTION, CROSS-EXAMINATION, REPLY AND HEARING

5. The SCN was duly served on all the Noticees. The Noticees undertook inspection of documents, conducted cross-examination, filed their replies to the SCN and availed hearing opportunities. The important dates are mentioned below:

Table 2

#	Noticee name	Date(s) of inspection	Date(s) of cross-examination	Date(s) of replies	Date(s) of hearing
1.	Viresh Joshi	Conducted on April 26, 2023, April 28, 2023, January 08, 2026 and February 03, 2026.	Conducted cross-examination of Mr. Nishil Marfatia and Mr. Suresh Jajoo on May 09, 2024 before the erstwhile	November 28, 2023, May 10, 2026 and May 31, 2026.	Scheduled on March 06, 2026, which was not availed citing difficulty posed due to Noticee 1 being in custody. Hearing conducted on May 27, 2026.

³ Angadias are traditional unofficial couriers, mostly operating in Gujarat and Maharashtra who transport cash, jewellery, diamonds etc from one place to the other.

#	Noticee name	Date(s) of inspection	Date(s) of cross-examination	Date(s) of replies	Date(s) of hearing
			QJA / WTM. No such request was filed before me, despite specific time having been granted by the Hon'ble SAT.		
2.	Sumit Desai	Conducted on April 17, 2023 and February 04, 2026.	Not requested.	July 18, 2023, March 06, 2026 and March 14, 2026	Scheduled on October 26, 2023, which was not availed. Hearing conducted on March 06, 2026.
3.	Pranav Vora	March 24, 2023 and February 04, 2026.	Not requested.	March 27, 2023 and March 13, 2026	Scheduled on October 26, 2023, which was not availed. Hearing conducted on March 06, 2026.
4.	Vaibhav Pandya	Conducted on February 04, 2026.	Not requested.	September 25, 2023 March 06, 2026 and March 13, 2026	Scheduled on October 26, 2023, which was not availed. Hearing conducted on March 06, 2026.
5.	Prijesh Kurani	Conducted on March 18, 2026	Not requested.	September 26, 2023 and September 30, 2023	Scheduled on October 26 and 27, 2023, which was not availed. Hearing opportunity was granted on January 23, 2026. The AR of the Noticees appeared on the aforesaid date and requested for 4 weeks' time to submit a reply. Another hearing opportunity was granted on February 12, 2026, during the hearing itself. The AR appeared on February 12, 2026 and requested for documents. Hearing was conducted on May 08, 2026.
6.	Dharini Kurani				
7.	Rekha Kurani				
8.	Bharti Navnit Godaya				
10.	Bindesh Kurani				
9.	M K B Bespoke Audio General	Not requested.	Not requested.	September 25, 2023, September 26, 2023 and	Scheduled on October 27, 2023 and January 23, 2026, which was not availed. Hearing conducted on March 13, 2026.

#	Noticee name	Date(s) of inspection	Date(s) of cross-examination	Date(s) of replies	Date(s) of hearing
				September 30, 2023	
11.	Nishil Surendra Marfatia	Conducted on March 29, 2023 and December 06, 2023.	Conducted cross-examination of Mr. Sumit Desai on March 05, 2024, of Mr. Pranav Vora March 06, 2024, and of Mr. Viresh Joshi on May 08, 2024.	February 09, 2026 and February 20, 2026	Hearing opportunity was granted on January 30, 2026. The Noticee requested for adjournment of 4 weeks. Hearing conducted on February 12, 2026.
12.	Olga Trading Pvt. Ltd.	Conducted on March 18, 2026 and April 22, 2026	Not requested.	March 25, 2026, April 29, 2026 and May 02, 2026	Scheduled on October 27, 2023 and January 23, 2026, which was not availed. Hearing was conducted on April 30, 2026.
13.	Krunal Khamar				
14.	Kamlesh Arjundas Dhanrajani				
15.	Bhavin Shah	Conducted on February 02, 2026	Not requested.	March 12, 2026, April 06, 2026 and July 13, 2026*	Scheduled on October 27, 2023, which was not availed. Hearing conducted on March 12, 2026.
16.	Rupal Bhavin Shah				
17.	Visa Capital Partners	Conducted on April 21, 2023.	Not requested.	February 19, 2026	Conducted on October 27, 2023 and January 30, 2026.
18.	Suresh K Jajoo				
19.	Vimla S Jajoo				
20.	Ankit Jajoo				
21.	Sheepra Sumeet Kabra				

By way of order dated January 14, 2026, in an appeal filed Mr. Bhavin Shah & Anr, Hon'ble SAT had directed SEBI to pass final orders in the matter before March 31, 2026. Thereafter, on SEBI's application, vide order dated March 27, 2026, Hon'ble SAT extended the time by 3 months to pass final orders. Subsequently, on an application filed by Mr. Viresh, vide order dated April 28, 2026, Hon'ble SAT directed that the **entire process shall be completed by May 30, 2026 to enable SEBI to pass orders by July 25, 2026. Thus, Mr. Bhavin and Ms. Rupal by filing another reply on July 13, 2026, have traversed beyond the timeline prescribed by Hon'ble SAT. Notwithstanding the above, I have perused the said reply and the 47 instances detailed therein appear to be a repetition of an earlier submission made by them.*

6. The written replies and / or the oral submissions made by the Noticees during the hearing held are summarized below:

6.1 Mr. Viresh Joshi (Noticee 1):

6.1.1 **Background:** Mr. Viresh (Noticee 1) was associated with Axis MF in the capacity of a chief dealer from 2009 until May, 2022. His service was wrongly terminated, and this issue is currently *sub judice*.

6.1.2 **Role played by the chief dealer:** As a chief dealer, Mr. Viresh acted upon instructions issued by the fund managers without exercising any independent discretion in selection of scrips for investment. Mr. Viresh, may have possessed trade-related information of Axis MF for execution purposes, but such data was managed within a controlled environment under strict surveillance protocols, including restricted access, system-based logging and firewalls to prevent any misuse. The chief dealer becomes aware of the order only when it is routed by the fund manager, typically just before execution. The chief dealer is not permitted to modify, revise or cancel orders. Any changes or cancellations must be done by the fund manager. The chief dealer upon receiving instructions from the fund manager transmits the order to the empaneled stock broker through the Bloomberg execution management system for execution of the order. The live access of Bloomberg platform is continuously provided to the compliance team. While the role of chief dealer is primarily limited to execution, it also involves negotiating with the broker to secure the best deal for the client as per market conditions. However, such negotiation is strictly within the parameters predefined by the fund manager, in terms of quantity, price or other trading conditions. The structured system ensures that no NPI is shared with any unauthorized parties. Hence, any allegation that Mr. Viresh, by mere access to information, possessed the means or intent to disseminate such information to unauthorized parties is speculative and unsubstantiated. SEBI merely on the basis of Mr. Viresh / Noticee 1's position as chief dealer, has presumed that he had access to and knowledge of all the trades of Axis MF. The investigation does not identify a single instance where Mr. Viresh has deviated from any execution or instruction contained in the order management system, altered any trade parameter, or exercised any unauthorized discretion in relation to the trades executed. The scrips in which Mr. Viresh is alleged to have aided the front running of trades were

liquid at the relevant point of time. For the first leg of the alleged trades, the buying or selling by front-running entities were done with willing buyers and sellers in the market and on market determined rates. The second leg of the alleged front running trades, the buying or selling by Axis MF was done based on the instructions received from the fund managers of Axis MF.

6.1.3 Statement of Mr. Viresh recorded by SEBI under duress:

- (a) Only the statement of Mr. Viresh recorded on May 26, 2022 by SEBI presents the true and correct factual position wherein he has maintained his innocence with respect to the allegations levelled. The statements of Mr. Viresh dated August 26, 2022 and November 16, 2022 were recorded by the investigating team of SEBI by coercion. Statements by a person cannot be admitted into evidence if they have been obtained through compulsion. Further, there exist irreconcilable inconsistency between the first statement of Mr. Viresh and the subsequent statements. Mr. Viresh has lodged complaints against the SEBI investigating authority in the Mulund police station. Mr. Viresh was assured by the police officers that appropriate action has been taken pursuant to the complaints.
- (b) Subsequently, Mr. Viresh was summoned twice in connection with other ongoing proceedings related to Axis Mutual Fund for statement recording. He appeared on February 20, 2025 and July 15, 2025 with his advocates. On February 21, 2025, Mr. Viresh sent a letter to SEBI which stated that he accepts only his statement dated May 26, 2022 and the other statements dated August 26, 2022 and November 16, 2022 were recorded under coercion.

6.1.4 Statements of Mr. Sumit, Mr. Pranav, Mr. Bhavin, Mr. Nishil and Mr. Suresh cannot be relied upon:

- (a) The aforesaid persons are interested parties in the outcome of the present case. Their statements cannot be relied upon by SEBI to allege anything against Mr. Viresh. From a conjoint reading of the statements of the aforesaid persons, it can be seen that these entities have tried to plead ignorance towards their own acts and unduly put the burden of Mr. Viresh. The statements have to be

corroborated by material and evidences which are absent in the present case. The statements of other entities, have been recorded prior to the statement recording of Mr. Viresh. The investigating team might have also coerced the said entities to present evidence against Mr. Viresh.

- (b) Mr. Pranav in his statement dated May 16, 2022, has stated that he does not know Mr. Viresh and that he was not aware that the trades being placed had any connection with Axis MF. Mr. Pranav in his statement dated August 08, 2022 stated that Mr. Sumit approached him for arranging trading accounts for Mr. Viresh. However, in his first statement, he had not mentioned Mr. Sumit or arranging accounts on his instructions. Only after Mr. Sumit's statement was recorded on August 10, 2022, the entire alleged scheme came to be attributed to Mr. Viresh as the alleged mastermind. While the modus operandi described by Mr. Sumit remained the same as Mr. Pranav, Mr. Sumit introduced an entirely new allegation that he met Mr. Viresh in or around September, 2021 and had introduced him to Mr. Prijesh. No further questions were posed to Mr. Sumit during the investigation, nor were any details sought regarding the circumstances under which he introduced Mr. Prijesh to Mr. Viresh. The allegation that Mr. Sumit and Mr. Pranav facilitated the arrangement of trading accounts for Mr. Viresh, rests solely upon the statement of Mr. Sumit and is not supported by any independent evidence.
- (c) The SCN asserts that there is corroborative evidence available, other than the depositions, such as the whistleblower complaint, CDRs, WhatsApp chat of "Asdfg" and trade related conversation of Mr. Prijesh with other Noticees, to prove the allegation against Mr. Viresh. However, the aforesaid material does not independently corroborate the allegations levelled against Mr. Viresh. No credible connection, either direct or indirect, of Mr. Viresh with Mr. Sumit or Mr. Pranav has been established in the SCN.
- (d) By failing to ensure attendance of Mr. Sumit, Mr. Pranav and Mr. Bhavin for cross-examination, SEBI has deprived Mr. Viresh of the opportunity to test the veracity of the statements forming the basis of allegations against him.

- (e) With respect to the cross-examination conducted of Mr. Nishil and Mr. Suresh by Mr. Viresh, both the aforesaid entities have categorically denied knowing Mr. Viresh or having any form of financial, banking, off market or transactional dealings with him.

6.1.5 Other Noticees are well connected independent of Mr. Viresh:

- (a) Mr. Prijesh along with Mr. Pranav and Ms. Bharati Godoya, Ms. Rekha Kurani and Ms. Dharini Kurani are alleged to be involved in various front running activities in respect of which an order has been passed by the QJA on April 30, 2026. Further, Mr. Prijesh and his family members are also alleged to be involved in the fraudulent trading in scrip of V Marc India Ltd., in respect of which an Interim Order was passed on February 28, 2024. The father in law of Mr. Prijesh (Mr. Navnit Godoya) has also been implicated in another front running matter for which an adjudication order was passed on April 29, 2026. None of the aforesaid matters, involve or make a reference to Mr. Viresh.
- (b) Mr. Bhavin Shah and Ms. Rupal Shah have allegedly been involved in fraudulent trading activities in the scrip of Darjeeling Ropeway Company Ltd., in respect of which an Interim Order was passed on June 19, 2023. Thus, several co-noticees involved in the present SCN have independently surfaced in multiple proceedings concerning market manipulation activities, unrelated to Mr. Viresh.
- (c) Mr. Sumit, in his statement dated November 10, 2022, has admitted that he had known Mr. Prijesh for past 5 years and Mr. Pranav for past 10 years. This shows that the Noticees had longstanding associations with each other independent of Mr. Viresh.

6.1.6 “Asdfg” contact saved in the mobile of Mr. Prijesh:

- (a) The allegation that mobile no. ending with 891 titled “Asdfg” belongs to Mr. Viresh rests entirely on inferential links, (i) CDRs; (ii) cell tower data; (iii) customer application form of one Mr. Deven Jotaniya; (iv) entries in the mobile phone of co-noticee Mr. Prijesh. Each of these elements, even if taken at face

value, is insufficient in law to establish identity, possession control or exclusive use of the said mobile number by Mr. Viresh.

- (b) Mr. Viresh does not know or has any association with Mr. Prijesh. He has never communicated or met Mr. Prijesh. Since Mr. Viresh has no relationship with Mr. Prijesh, he cannot explain how Mr. Prijesh obtained his mobile number or why the contact details in his phone of Mr. Viresh and his brother was saved as “Asdfg 2” and “Asdfg New 3”. In the absence of an independent connection, mere presence of such entries in the mobile of Mr. Prijesh cannot be attributed to Mr. Viresh. SEBI has conspicuously failed to examine Mr. Prijesh during the investigation.
- (c) The electronic device of Mr. Viresh was seized by Axis MF during internal proceedings. As a result, Mr. Viresh approached Mr. Vipul, his brother, for providing a mobile number for temporary use. Mr. Vipul him with provided the mobile no. ending with 962, which is registered with Mr. Deven Jotaniya. Mr. Viresh relied on his landline mainly for communication during this period.
- (d) Mr. Viresh has no connection with Mr. Deven Jotaniya and has never met him. He is presently not using the aforesaid mobile no. SEBI has not summoned and examined Mr. Deven Jotaniya during investigation to ascertain the circumstances in which the said SIM cards came to be issued, who was the actual user and how the same is connected with the family of Mr. Viresh.
- (e) Mr. Viresh denies possessing, owning or use of the mobile no. ending with 891. The matching of the said number with the mobile no. of Mr. Viresh ending with 922 is circumstantial. The tower analysis sheet provided by SEBI as an annexure to the SCN is not raw data, but location details analysis done by SEBI.
- (f) The tower ID location has been derived on the basis of telecom network triangulation, which does not have the capability to pinpoint the precise location of a mobile device to a specific office or premises. The conclusion sought to be drawn by SEBI on the basis of such data is impossible and presumptive. Several trades alleged as front run were executed during the period when Mr. Viresh was working from home. However, the location attributed to the contact “Asdfg”

which matches with the contact number of Mr. Viresh, is stated to be the Worli office of Axis MF. There is no data matching the location of “Asdfg” to Mr. Viresh at his residential premises.

- (g) Mobile devices are strictly prohibited inside the dealing room, and a register is maintained to record the deposit and retrieval of phones upon entry and exit. The said register, as provided by SEBI, for the period from November 18, 2021 to May 18, 2022, evidences the dates on which the Mr. Viresh had deposited his phone, indicating his presence in the office. A comparison of those dates with those covered under SEBI’s tower analysis reflects several instances where Mr. Viresh was physically present in office, but the number known as “Asdfg” is not reflected to be present in the same location. Specifically, on 4 such dates, December 15, 2021, February 06, 2022, March 11, 2022 and March 15, 2022, significant trading activity by the alleged front running entities has been recorded.
- (h) Without prejudice, no material has been brought on record to establish any passing of information pertaining to impending orders of Axis MF through the alleged contact of “Asdfg”. Even the WhatsApp chats between “Asdfg” and Mr. Prijesh, do not contain any reference to the impending trades of Axis MF.
- (i) The CDR for mobile no. ending with 891 as placed in the record are operator-generated records in which the only authenticated attributes are the number, IMEI which is the device identifier, IMSI which identifies the user on a network, and the recorded cell information. The CDR itself does not mention the name of Mr. Viresh. The CDRs for mobile no. ending with 891, consistently show usage on a distinct IMEI 869146034532780, which is a completely different device. No seizure memo, 65B certificate, or other primary record has been produced to show that this latter IMEI-bearing handset was ever recovered from, produced by, or otherwise in the possession or control of the Mr. Viresh.

6.1.7 Identity of “Jadugar” and formation of “Vintage Capital”:

- (a) There are millions of individuals who share the birthdate of February 02. The mere coincidence that Mr. Viresh / Noticee 1’s birthday falls on the same date

as the individual referred to as “Jadugar” in the aforesaid WhatsApp message cannot be considered as credible evidence to link the alias to Mr. Viresh.

- (b) The reliance on WhatsApp chats dated February 22, 2022 between Mr. Bindesh and Mr. Prijesh, where Mr. Bindesh is seen enquiring about the trades related to “Jadugar” and the audio of Mr. Bindesh about picking up Jadugar’s money and ledger accounts in no manner establish that the alias “Jadugar” refers to Mr. Viresh.
- (c) The reliance placed on WhatsApp chats between Mr. Prijesh, Mr. Sumit and Mr. Vaibhav wherein Mr. Prijesh is seen stating that he has executed trades on behalf of “Jadugar”, at best, indicates that Mr. Prijesh may have placed trades for someone using that alias, but does not establish that Mr. Viresh is “Jadugar”.
- (d) A WhatsApp chat dated November 30, 2021, containing an itinerary shared by “Asdfg” with Mr. Prijesh, directly validates a second chat sent on the exact same day between Mr. Prijesh and Mr. Sumit, in which Mr. Prijesh has said “Jadugar’s brother and father would be travelling for the purpose of formation of a company”. Based on the presumption that the number saved as “Asdfg” belongs to Mr. Viresh, it has been presumed that “Jadugar” refers to Mr. Viresh. However, “Asdfg” is not associated with Mr. Viresh. The said chat neither mentions any specific destination such as “Dubai” nor does it reference “Vintage Capital”. The inference drawn that Mr. Viresh has sent his brother and father to Dubai for formation of Vintage Capital by attempting to link the two distinct chats is misplaced. Mr. Viresh denies having any role in formation or operations of the company. Mr. Viresh’s affairs are independent and distinct from those of his immediate family members.
- (e) It is admitted that the brother and father of the Mr. Viresh had travelled to the UAE on a personal holiday (not accompanied by Mr. Viresh), during the course of which they identified a potential business opportunity in the region and had consequently decided to incorporate a company in Dubai with the bona fide intention of engaging in physical agri-commodity trading. This decision was rooted in their prior experience and ongoing involvement in the commodity markets in Mumbai, in the domain of agri-commodity trading. To the best of his

knowledge, the Company did not maintain any demat account in the stock market. Furthermore, there has been no transaction or transfer of funds from India to Dubai (UAE), or vice versa, to the best of the knowledge and belief of the Mr. Viresh.

- (f) Figure no. 22 in the SCN contains a screenshot of a WhatsApp chat between Mr. Prijesh and Mr. Bindesh, wherein certain numbers are being discussed and an image reflects the name “Jadugar”. Further, under table no. 14, the funds transferred in the bank account of the company has been detailed. The figures mentioned in the WhatsApp chat do not correspond with the amounts allegedly transferred into the company’s bank account. The alleged ledger and WhatsApp chat do not clarify as to whether there was any actual movement of funds in correlation with the details mentioned in the said ledger. The SCN fails to establish any money trail from the bank account of Vintage Capital to Mr. Viresh.
- (g) WhatsApp chats, in essence, constitute statements made by third parties, and as such are akin to other statements recorded during investigation. The contents of such chats require verification and corroboration to assess their veracity before any adverse inference can be drawn from them.

6.1.8 Whistleblower complaint and email sent by Mr. Bhavin:

- (a) Mr. Bhavin in his statement dated August 16, 2022, when questioned about the whistleblower complaint has categorically stated that he had neither drafted nor sent the said email and that someone had impersonated him. This material fact has been omitted in the SCN. No investigation appears to have been conducted by SEBI with respect to the impersonation. SEBI has not placed on record the email that Mr. Viresh apparently drafted to be sent by Mr. Bhavin to the compliance department of his broker stating that he only operated his trading account and the whistleblower complaint had not been sent by him. Mr. Pranav in his statement has expressly stated that Mr. Prijesh instructed him to have Mr. Bhavin Shah send the email. Mr. Pranav has not stated that Mr. Viresh had drafted the alleged email.

- (b) Reliance has been placed upon a screenshot of a WhatsApp chat exchanged between Mr. Pranav and Mr. Prijesh, which allegedly contains an image reflecting incorrect regulatory email IDs which has been forwarded by “Asdfg”. The said image purportedly contains the same incorrect regulatory email IDs as those appearing in the whistleblower complaint. However, neither the preceding nor the subsequent portions of the said chat have been provided, and therefore, the complete context of the exchange cannot be inferred. “Asdfg” has no connection with Mr. Viresh. Even assuming that “Asdfg” had forwarded the message, during the inspection conducted on January 08, 2026 and February 08, 2016, no chats have been found in the devices of Mr. Pranav with the number associated with “Asdfg”. Mr. Pranav and Mr. Prijesh are alleged to have been involved together in other front-running schemes as well (order dated April, 2026) which demonstrates that the chats exchanged between them during January, 2022 could have pertained to multiple matters and cannot on assumption be linked to the allegations against Mr. Viresh.
- (c) Reliance has also been placed on an alleged video clip recovered from the seized device of Mr. Prijesh, which captures an audio conversation between Mr. Prijesh and Mr. Pranav, concerning an email sent by Mr. Bhavin to his broker during which Mr. Prijesh is heard stating that the contents of the letter were prepared by “Jadugar”. However, at no point in the said clip is Mr. Viresh expressly named or identified in any manner. The mere reference to the name “Jadugar” in the said conversation, without any corroborative evidence to link the alias to Mr. Viresh.

6.1.9 Mr. Viresh did not have access to F&O orders information: Annexure 7 to the Investigation Report contains details of the alleged front running trades and pattern analysis of the same. The instances set out in the annexure also includes trades in the F&O segment. However, Mr. Viresh, being the chief dealer for the equity segment, would not, by virtue of his position, have access to or knowledge of trades pertaining to the F&O segment. There is nothing on record to demonstrate that Mr. Viresh possessed any NPI of orders in F&O segment. Further, it is well recognized that pricing and movement in derivative instruments are influenced by a multitude of factors, including market volatility, open interest, time decay, liquidity, speculative positioning and movements in the futures and options segment itself, of which the

price movement in the underlying cash market scrip constitutes only one component and not the sole determining factor. Therefore, merely because certain trades were undertaken in derivative instruments corresponding to underlying cash market securities allegedly traded by Axis MF, no automatic inference can be drawn that such derivative trades were a direct consequence of or based upon any alleged confidential information relating to cash segment trades. The derivative segment trades and the profits arising therefrom, cannot be included within the computation of alleged unlawful gains or disgorgement.

6.1.10 Absence of evidence to show communication of NPI: SEBI has failed to bring any material on record to corroborate that NPI of impending orders of Axis MF was communicated to Mr. Prijesh by Mr. Viresh. In the seized mobile devices of Mr. Prijesh and Ms. Dharini, neither any material connecting them with Mr. Viresh was found nor any evidence was discovered indicating that Mr. Viresh had passed on NPI to Mr. Prijesh. The allegation that NPI was passed through Apple FaceTime or BOTIM is entirely based on the statement of Mr. Sumit, a co- Noticee. Although the device of Mr. Prijesh was seized, no data pertaining to any communication through Apple FaceTime or BOTIM was retrieved from the said device.

6.1.11 Negotiating trades on behalf of Noticees: The SCN provides only a sole instance pertaining to “Gland Pharma” to substantiate the allegation of negotiation for third parties. However, Annexure 7 of the Investigation Report which captures all instances of front running reflects multiple trades across various scrips. The SCN fails to specify the number of instances where Mr. Viresh is alleged to have negotiated trades for any third party. Infact, on the very same day, Ms. Bharati Navnit Godaya, another alleged front running entity, also traded in the same scrip and in a similar pattern. Her trades have no corresponding Bloomberg chat linked to it, and, this particular trade of hers has not even been identified as an instance of alleged front running. This selective approach demonstrates that SEBI has cherry-picked certain instances to fit a preconceived narrative.

6.1.12 Trade logs not provided: Vide letter dated May 26, 2024, Mr. Viresh had specifically sought (i) trade log and order log of the trades executed in various schemes promoted by Axis MF; (ii) trade logs of the trades of all such entities against whom allegations of having front run the trades of Axis MF on behalf of Mr. Viresh

has been imposed, for the period September 01, 2021 to March 31, 2022. However, SEBI failed to provide the complete trade logs.

6.1.13 Information sharing by other employees of Axis MF: The internal investigation conducted by Axis MF and investigation conducted by SEBI revealed that there were certain employees who were sending official information to the personal email accounts. Certain employees were caught forwarding stock recommendations to their relatives or sharing research reports with entities outside the organization. There were also instances where certain officials were found using IDs that did not belong to them to gain entry into the dealing room. No such lapse was attributed to Mr. Viresh during his entire tenure.

6.1.14 No “dealing in securities” and no “fraud” is proved: Mr. Viresh has neither transacted in securities himself, nor there is any material on record to demonstrate that he has induced the decision of any investor. “Dealing in securities” requires a person to transact in listed securities on stock exchange. Since the present case does not involve any “dealing in securities” by Mr. Viresh, violation of regulations 3 and 4 of PFUTP Regulations and section 12A cannot be alleged against Mr. Viresh. The ingredients of deception and inducement need to be proved to show fraud. SCN has nowhere shown that the Noticee deceived anyone in the securities markets or induced any one to deal in the securities markets. SCN has also failed to show as to how the Noticee defrauded the investors. SCN does not undertake any analysis to demonstrate that the interests of Axis MF were prejudiced or adversely affected due to Mr. Viresh, nor does it identify any market distortion, artificial price discovery or investor harm attributable to his alleged conduct. Infact, in respect of the schemes where Mr. Viresh acted as chief dealer, there has been a consistent increase in both NAVs and AUMs.

6.1.15 No proceeds retained and no disgorgement direction can be passed: Vide the SCN, Mr. Viresh has been jointly and severally made liable to disgorge an amount of INR 30.55 crores along with the co-noticees. The other noticees have disgorged the alleged illegal gains to the satisfaction of the amount mentioned in the SCN which indicates that the alleged illegal gains have not flown to Mr. Viresh and were retained by the co-noticees themselves for which no disgorgement direction could be issued against Mr. Viresh. The said fact is also contrary to the statement of Mr.

Sumit that he transferred the profit generated out of the alleged front running activity monies to Mr. Viresh. In absence of any trail of money being found in the bank account of Mr. Viresh, SEBI appears to have constructed a presumptive narrative in order to sustain its allegations. The underlying idea of disgorgement is restitution of loss allegedly caused to an identified individual due to the acts of other individuals. SEBI has not been able to bring forward any fact regarding loss actually suffered by Axis MF. Hence, no disgorgement direction can be correctly issued against Mr. Viresh.

6.2 Mr. Sumit Desai (Noticee 2):

- (i) **Violation of principles of natural justice:** The directions passed against Noticee 2 restraining him from accessing the securities market, are arbitrary, contrary to law and against principles of natural justice and fair play. It is a settled position of law that pursuant to an *ex parte* order, once the alleged unlawful gains are deposited with SEBI / lien marked in favour of SEBI, the trading or other restrictions imposed upon the noticees ought to be lifted pending final order. However, in the present matter, the restrictions have continued against me for over 3 years, despite the alleged unlawful gains being earmarked by the noticees in 2023 itself and without providing a hearing opportunity before SEBI prior to such harsh restraints being imposed on Noticee 2. The directions against Noticee 2 in the Interim Order are far harsher than the offence alleged. By virtue of continuing the trading restrictions, SEBI has deprived Noticee 2 of his primary source of earning and occupation and even restricted selling of shares which has no relation to the allegations in the Interim Order cum SCN. During the course of 3 years, Noticee 2 was not accorded any opportunity to appear before SEBI. On January 08, 2026, SEBI issued a hearing notice without providing access to relied upon documents. While SEBI had the documents in its possession for the last 3 years, the same were produced for inspection when his authorized representatives requested for it.
- (ii) **Limited role of “arranging” accounts:** Noticee 2’s role, if any, in the alleged “*fraud*” was limited to requesting Noticee 3 and 17 to arrange total 5 trading accounts, namely of: Noticees 11, 12, 15, 16 and 17. Neither did Noticee 2 device the alleged scheme, or passed on information of any trades, or was involved in executing any trades. It is SEBI’s own case that Mr. Viresh passed on the information regarding the impending

trades of the Big Client to Noticee 5, who in turn placed the orders in his own family accounts, as well as the 5 accounts mentioned above. It is a matter of record that Noticee 2 has not been involved in execution of any of the alleged trades. Noticee 2 has not retained or even received any of the “profits”. Each of the 5 persons to whom the trading accounts belonged to, had full knowledge and were not deceived or induced by Noticee 2 to provide access. The trades and the contract notes were received by them on their registered numbers, and the same is recorded in the investigation report as well. After arranging the accounts, the aforesaid persons directly coordinated with Noticee 5, who operated the said accounts.

- (iii) **Computation of illegal gains not provided:** Neither the Interim Order cum SCN nor the investigation report has provided the details of how alleged unlawful gains have been computed by SEBI. The Interim Order cum SCN directed impounding of such alleged gains, without any rationale.
- (iv) **No gain made and no further disgorgement directions should be passed against Noticee 2:** It is admitted by Mr. Viresh that 90% of the profits generated from the alleged trades were given to him. At the time of statement recording with SEBI, Noticee 2 had correctly stated that the profits which were generated in these accounts to the tune of INR 23 crores were given to Mr. Viresh. The profit generated from the alleged trades has not been retained with Noticee 2 nor given to him. To this effect, the Interim Order cum SCN records that the profits generated in the trading accounts were *transferred* to Mr. Viresh in cash. The direction of disgorgement, if any, must lie against the person who has derived benefit from the alleged trades, and not from Noticee 2. No harm has been caused to retail investors and SEBI has already safeguarded the alleged unlawful gains. Further, the directions imposed vide the Interim Order cum SCN against Noticee 2 must be lifted. In the previous orders passed by SEBI of comparable or greater magnitude such as those involving Mr. Ketan Parekh and Jane Street, the interim directions have been vacated or revoked upon deposit of the illegal gain amount. However, despite deposit of the alleged illegal gain in the present case, the Noticee continues to be burdened by the directions of the Interim Order cum SCN. There has been no loss caused to the investors. The above should be considered as a mitigating factor.

6.3 Mr. Pranav Vora (Noticee 3):

(i) **Violation of principles of natural justice:**

- (a) Denial of request to defreeze demat account: While Noticee 3 has been made liable for an amount of INR 9,49,61,536.22 vide the Interim Order cum SCN, Noticee 3 has not deposited any funds with SEBI as he has not received any wrongful gain. The respective Noticees who had made profit have deposited the said wrongful gain. Vide letters dated February 28, 2025, April 18, 2025, May 23, 2025, August 07, 2025 and August 21, 2025, the Noticee made a detailed representation to SEBI to defreeze his demat account and permit trading pending investigation and a final order. Vide email dated August 28, 2025, SEBI informed that the request of Noticee 3 has not been acceded to by the Competent Authority as the quasi-judicial proceedings are in progress and the Interim Order directs restraint until further orders. Despite undergoing 2.5 years of debarment without hearing or final investigation report or confirmatory order, SEBI continued the trading restrictions imposed on Noticee 3. While the investigation stood completed at the time of passing of the ex-parte order, SEBI failed to pass any confirmatory order and the interim directions are continuing against Noticee 3 for 3 years without any hearing or representation.
- (b) Deficiencies in the investigation report: On receipt of the hearing notice from the QJA, SEBI granting a hearing opportunity on January 23, 2026, Noticee 3 realized that the investigation in the matter is completed. Accordingly, the Noticee 3 requested for an inspection of documents on January 28, 2026 which was granted on February 04, 2026. On inspection, Noticee 3 observed that the copy of the investigation report supplied is undated. Further, request for dated copy was rejected by SEBI. If investigation was concluded by SEBI 3 years ago, SEBI is answerable as to why it took 3 years to provide a personal hearing while interim directions continued against Noticee 3. From paragraph 14.2 of the investigation report, it is evident that the investigation report was ready when the ex-parte order was passed.
- (c) Procedural lapses / No urgency in issuing interim order cum SCN: If alleged unlawful gains have been deposited upon passing of the ex-parte order, it is not understandable why harsh directions are still continued against Noticee 3. It is trite law that upon deposit of the alleged unlawful gains, the restrictions pertaining to

trading against Noticees must be lifted. This approach has been adopted by SEBI in various orders listed below:

- Interim Order dated July 03, 2025 in the matter of index manipulation by the Jane Street Group;
- Interim Order cum SCN dated June 17, 2025, in the matter of stock recommendations given by Sanjiv Bhasin in media channels and other social media platforms;
- Interim Order cum SCN dated April 23, 2025 in the matter of front running by Madhav Stock Vision Pvt. Ltd. & Ors.
- Interim Order dated January 27, 2025 in the matter of front running activities by Ashish Kothari & Ors.;
- Interim Order cum SCN dated January 02, 2025 in the matter of extended front running by Rohit Salgaocar, Ketan Parekh & Ors;

Further, in various matters, the Hon'ble SAT has lifted restraints from access to the securities market on the payment of the impounded amount by the noticee and has advised SEBI to not continue interim restrictions indefinitely once the alleged unlawful gain is secured.

The alleged fraud had stopped on May 02, 2022. Further, SEBI's investigation was concluded by August, 2022. Despite the above, the ex-parte order was passed only on February 28, 2023, i.e., 10 months after the alleged front running ceased and 7 months after completion of its investigation. The ex-parte order ought to have clarified that investigation is over and that ex-parte order is based on an investigation report to enable Noticee 3 to seek inspection and represent himself. The ex-parte order uses the word "prima facie" frequently, giving an impression that the investigation is ongoing and the *ex parte* order has been passed pending final investigation in the matter.

- (ii) **Role in the alleged fraudulent scheme:** The limited role of Noticee 3 in the alleged front running scheme is arranging 4 trading accounts (Mr. Nishil Marfatia, Olga Trading, Mr. Bhavin Shah and Ms. Rupal Shah) and providing access to the trading terminal of Marfatia Stock Broking Ltd. Thereafter, Noticee 3 had no role in the alleged front running activities. Noticee 3 has no direct connection or communication with Mr. Viresh, who is alleged to be the mastermind behind the scheme. Noticee 3 knew

Noticee 2 for several years, and upon his request, Noticee 3 connected him with the aforesaid 4 trading accounts. The owners of the lent accounts, were aware of the trades occurring in their accounts and had themselves given access to their accounts to Noticee 5. Noticee 3's role must be distinguished from that of Noticees 1 and 2.

(iii) **No gain made and no disgorgement ought to be directed:** Neither the profits made in the trading nor any gains otherwise derived from the alleged scheme were received by Noticee 3. The profits from the trading accounts used to go to Mr. Viresh and were retained by him. This fact has been accepted by Mr. Viresh in his statement recording and it is clearly recorded in the Interim Order cum SCN and the Investigation Report. The Interim Order cum SCN notes that the alleged ill-gotten profits were repatriated to entity owned by Mr. Viresh – Vintage Capital LLC. The father and brother of Mr. Viresh held 99% shares in Vintage Capital LLC and this entity was incorporated during the investigation period with the assistance of Noticee 5. SEBI has also concluded that between April, 2022 to May, 2022, approximately AED 56 lakh was deposited in the account of Vintage Capital LLC maintained with Ajman bank in Delhi. Immediately thereafter, a large portion of funds were transferred into the account of Noticee 10, who is the brother of Noticee 5. Despite being in possession of the alleged ill-gotten funds, SEBI has failed to investigate the central role played by Noticee 10 in the alleged scheme. The bank account details of Noticee 3 have been disclosed to SEBI during the investigation period, from which it is evident that he has not made any gains whatsoever. There have been no financial transactions between Noticee 3 and the other Noticees. Noticee 3 did not deposit any gains and the same were deposited by respective noticees who made the said gains. This proves that he neither received nor was in possession of any alleged wrongful gains. Since no undue gains have been made and no financial benefit has been received by Noticee 3, no further disgorgement ought to be directed against Noticee 3.

(iv) **No further debarment directions ought to be imposed:** No debarment should be directed against Noticee 3, in light of the 3 years' debarment already undergone. In the following similar matters, SEBI has had that no further debarment shall be directed in view of the debarment already undergone by the respective noticee:

- SEBI order dated January 27, 2021 in the matter of M/s Tradebizz Research (Proprietor Mr. Santosh Singh Parihar);

- SEBI order dated April 19, 2021 in the matter of Epic Research Pvt. Ltd.;
- SEBI order dated April 19, 2021 in the matter of Equicom Financial Research Pvt. Ltd.;
- SEBI order dated June 01, 2021 in the matter of Capital Heed Financial Research (Proprietor Mr. Shailendra Sen);
- SEBI order dated December 02, 2024 in the matter of unregistered investment advisory activities by Baap of Chart;
- SEBI order dated August 19, 2025 in the matter of Prowise Capital;
- SEBI order dated September 24, 2025 in the matter of Seacoast Shipping Services Ltd.

6.4 Mr. Vaibhav Pandya (Noticee 4):

- (i) **Lack of knowledge**: Noticee 4 has been employed with Noticee 2 and was, as part of the usual course of his duties, performing various administrative tasks. Noticee 4 is not in any decision-making capacity and nor is aware of the internal workings/ dealings of Noticee 2. All actions of Noticee 4 were done solely on instructions from Noticee 2. Noticee 4 was not in receipt of alleged non-public information and did not have any connection with the mastermind of the scheme, Mr. Viresh. Noticee 4 was completely unaware of the alleged fraudulent trading activity or that the trading details shared with Noticee 4 by Noticee 5 were trades resulting from front-running of the trades of Big Client. Noticee 4 did not know the owners of the trading accounts and he did not place any trades in such accounts or his accounts or accounts of his family members. Noticee 4 sought details of the trades from Noticee 5, on instructions and only so that he could keep a tab on the trading activity, as was required of him to do.
- (ii) **WhatsApp Chats with Noticee 5**: Noticee 4 has known Noticee 5 due to having a common profession and his relationship with Noticee 2. Apart from the above, Noticee 4 does not have any personal or financial connection with Noticee 5 or other Noticees in the present matter. SEBI has changed the context surrounding a few WhatsApp Chats to suit their own narrative and have placed Noticee 4 on the same footing as the persons who have perpetrated the alleged scheme and earned profits of approximately INR 30 Crores from the same. Noticee 4 would seek details of the trades placed in various accounts on instructions of Noticee 2 to keep a tab on the trading activity. While Noticee 4 had information regarding the trading activity in the

said accounts, he did not have any information regarding trading instructions and / or from whom such instructions originated and /or how profits were generated. Neither Noticee 4 was aware of the profits nor he has received any profits. On account of the huge profits regularly generated, on one occasion, Noticee 4 asked Noticee 5 how the trades were regularly generating profits and no losses. Noticee 5 informed him that the ideas behind the trades were coming from Jadoogar. Noticee 4 did not know the real identity of Jadoogar.

- (iii) **Providing login details of broking firms:** In his statement, Noticee 4 has admitted that he had passed on information and that he had provided login credentials of broker terminal to Noticee 5, on the instructions of Noticee 2. Noticee 4 did not know the owners of trading terminals and accounts. Further, he did not have access to the same. He had no direct or indirect relationship or connection with the owners of the trading terminals and accounts. However, he knew that Noticee 5 was placing trades on behalf of various persons in their accounts. Noticee 5 would contact Noticee 4 when he faced any difficulties in operating the aforesaid accounts, since he usually undertook such administrative tasks on behalf of Noticee 2. On receipt of instructions, the necessary logistical support would be extended by Noticee 4, which at certain times would include sharing the login ID and password of trading terminals and accounts. Once the contact details of the IT support of the broking firms were shared with Noticee 5, he directly spoke with them regarding the issues faced while trading in absence of Noticee 4.
- (iv) **Trading restrictions ought to be lifted:** All the alleged illegal gains have been deposited by the respective Noticees (*in whose accounts such alleged illegal gains were made*) in an escrow account with a lien in favor of SEBI. Once such deposit was made, SEBI ought to have lifted such trading restrictions against Noticee 4. Reliance is placed on SEBI orders such as Interim Order dated July 03, 2025 in the matter of Index manipulation by the Jane Street Group and Ex-parte Interim Order cum Show Cause Notice dated January 02, 2025, in the matter of extended front running by Rohit Salgaocar, Ketan Parekh & Ors. In these matters, despite the quantum of the alleged illegal gains being exponentially higher as compared to the present case, SEBI has lifted trading restrictions upon the deposit of the alleged illegal gains.
- (v) **Disgorgement should not be imposed jointly and severally:** SEBI has erroneously clubbed Noticee 4 with the principal accused and beneficiaries of the scheme without

making any distinction for the purpose of directions. No profit has been received by Noticee 4. Interim Order cum SCN fails to show that Noticee 4 has made any illegal gains. On an analysis of the statements provided by various Noticees against whom the primary allegations are made, the alleged illegal gains have already been transferred by Noticee 2 to Mr. Viresh. Since Noticee 4 had no knowledge of the alleged illegal scheme and did not make any illegal gains, disgorgement directions cannot be imposed on him. Reliance is placed on orders of Hon'ble SAT in SRSR Holdings Pvt. Ltd. vs. SEBI (Appeal no. 1 of 2019) and Karvy Stock Broking Ltd. vs. SEBI (Appeal no. 6 of 2007).

6.5 Mr. Prijesh Kurani, Ms. Dharini Kurani, Ms. Rekha Kurani, Ms. Bharti Navnit Godaya, and M K B Bespoke Audio General and Mr. Bindesh Kurani (Noticees 5 to 10):

- (i) **Extraterritorial jurisdiction**: Noticees 5 and 6 are residents of Dubai and do not fall under the regulatory ambit of SEBI. Passing any direction against Noticees 5 and 6 is *non est* and devoid of jurisdiction.
- (ii) **Connection with Mr. Viresh**: Noticee 5 is not connected with Mr. Viresh. Trades in accounts of Noticees 6 to 9 (family members), 11,12, 15, 16, and 17 were done by Noticee 5. The trades were done independently based on his own knowledge, basic and technical research. The above is corroborated from the fact that the above entities have respectively disgorged the front running gains, but no disgorgement appears to have been done by Mr. Viresh. This indicates that Mr. Viresh was neither related to the alleged trades nor was a beneficiary of the same.
- (iii) **No link with other Noticees**: Mr. Sumit and Mr. Pranav were middlemen for Noticee 5 and arranged trading accounts for Noticee 5 in return of informal profit sharing arrangement. Noticee 5 had no connection with other entities of whom the accounts were arranged by Mr. Sumit and Mr. Pranav. There is an internal family dispute between the Noticee 10 and Noticee 5 due to which the Noticee 10 does not have knowledge and cannot comment about Mr. Prijesh's work.
- (iv) **No NPI was received by Noticees 6 to 8**: With respect to Noticees 6 to 8, the Interim Order cum SCN expressly records that they were not in receipt of NPI and that their trading accounts were used as mule accounts.

- (v) **No specific allegation against Noticee 10:** In relation to Noticee 10, there is no specific allegation against Noticee 10 under the Interim Order cum SCN that he (i) was in possession of UPSI; or (ii) communicated with Axis Mutual Fund; or (iii) executed any trades. The sole allegation is that the abnormal trading activity ought to have put him on notice of the alleged wrongdoing. Further, no wrongful gain is alleged to have accrued to Noticee 10.
- (vi) **Reliance on screenshots:** Reliance on WhatsApp screenshots to allege front running is not corroborative evidence and proof of authenticity of such screenshots have not been provided by SEBI. Noticee 5 contests the correctness of the same.
- (vii) **Statements of Mr. Sumit, Mr. Nishil and Mr. Suresh:** Neither statements have been provided to Noticee 5 nor an opportunity of cross-examination has been granted. Therefore, they cannot be relied upon.
- (viii) **No further directions are warranted:** The alleged wrongful gain under the Interim Order cum SCN has already been deposited with SEBI. Accordingly, the directions contemplated under sections 11 and 11B of the SEBI Act, 1992 stand complied with, and no further action or prosecution is warranted against the Noticees.

6.6 Mr. Nishil Marfatia (Noticee 11):

- (i) **Connection:** The Interim Order cum SCN seeks to create a tenuous and non-existent link between Noticee 11 and the other Noticees. All buy and sell transactions in the trading account of Noticee 11 were executed “on market” through SEBI registered broker and in compliance with all securities laws. Apart from Noticee 3, Noticee 11 does not have any connections with other Noticees. Wife of Noticee 3 is an Authorized Person (AP) in Marfatia Stock Broking Pvt. Ltd. Noticee 11 has known Noticee 3 for 10 years. Noticee 11 had provided access to his trading account to Noticee 3 to make genuine profits based on his experience in capital markets, which is a legal and permissible arrangement. Noticee 11 was not aware that Noticee 5 was executing trades in the account of Noticee 11. This was not disclosed to Noticee 11 and the same has been admitted by Noticee 3 in his statement dated May 17, 2022 (Q.18) and in cross-examination of Noticee 3 on March 06, 2024. Noticee 3 in the same statement (in response to Q.20) has admitted that he was himself unaware of any front running.

The Interim Order cum SCN revolves around Noticee 1, Mr. Noticee 2, Noticee 3 and 5. Noticee 11 has no connection or financial transaction with Mr. Viresh, Mr. Sumit and Mr. Prijesh (Noticees 1, 2 and 5). The same has been admitted by Mr. Viresh and Mr. Sumit in their cross-examination. There is no allegation of passing any non-public information between Noticee 11 and Noticees 1, 2 and 3. It is mentioned in the Interim Order cum SCN (para 48) that Noticee 11 had no role to play in executing the alleged front running trades.

- (ii) **Clarification on role of IT person of Marfatia:** Noticee 3 instructed the IT person of Marfatia Stock Broking Ltd. to install the ODIN software on the system of Noticee 5. The software was installed under the belief that it was being installed in system of Noticee 3. Mr. Yunus did not know Noticee 5. AnyDesk software (remote access) does not show the name of the person who is using the system or display the location of the system where it is located. During COVID, all the APs of Marfatia Stock Broking Ltd. requested to install the trading terminal via remote access. From the investigation report, it is understood that Mr. Yunus had only asked for any desk ID for installation and there is nothing beyond that. Noticee 11 also did not have an idea about the remote access as there was direct communication between the IT team of Marfatia Stock Broking Ltd. and Noticee 3. SEBI has itself mentioned that Noticee 3 shared credentials of trading accounts with Noticee 5 for executing front running trades. Noticee 3 had told Mr. Yunus that he has sent a request for installation of ODIN software through WhatsApp but from a different mobile number. On page 45 of the Interim Order cum SCN, the IP addresses and MAC IDs of trading terminal software installed in the system of Noticee 5 is mentioned. The public IPs are not captured with respect to the trades executed through the trading terminal of Marfatia Stock Broking Pvt. Ltd. Only on the basis of same MAC ID between the period December 2021 to January 22, allegations have been levied by SEBI.

- (iii) **Alleged front running transactions of Mr. Nishil in the Interim Order cum SCN:**

- a. The allegation in respect of front running trades qua Noticee 11 is as under:

Segment	Type of trade (BBS / SSB)	No. of days	No. instances	Gross profit earned (in INR)
Derivative	BBS	22	38	1,82,14,134
	SSB	9	10	1,26,03,154
Equity	BBS	1	1	11,426

Total		32	49	3,08,28,714
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- b. *Pre-investigation period vs. investigation period trades:* It is alleged in the Interim Order cum SCN that there was a remarkable increase in the trading activities of Noticee 11 in Investigation Period (from September 01, 2021 to March 31, 2022) as compared to Pre-Investigation Period (from February 01, 2021 to August 31, 2021). However, Table 10 at Page 58 of the Interim Order cum SCN shows that the trading (gross traded value & intra-day) of Noticee 11 during the Pre-Investigation Period was more when compared to trading activities during the Investigation Period. Trading activity of Noticee 11 is completely different from the other persons / entities mentioned in Table 10.
- c. *Matching of order with Big Client:* Out of 48 instances, 16 instances amounting to INR 14,51,288 did not match with the Big Client. Hence, they cannot be considered as front running activities.
- d. *Neither BBS nor SSB trades:* Out of 38 instances in BBS pattern, in 3 instances, the trades buy and sell order end time is prior to Big Clients buy order start time. Hence, there is no BBS in these instances which contributed INR 19,53,262,50 of profit. Out of 10 instances of SSB pattern, in 1 instance, the sell and buy order end time is prior to Big Clients sell order start time. Therefore, there is no SSB in the said instances. The alleged profit of 1 instance is INR 11,44,425. Further, in 1 instance traded on November 30, 2021, the buy and sell end time of Noticee 11 was prior to Big Client's sell order start time. Hence, this instance is neither a BBS nor a SSB. In 19 instances, FR's sell order end time was prior to BC's buy order end time. Therefore, when BC was still buying the scrip, all sell transactions of FR were executed. Hence, there is no BBS in such transactions. Hence, if the person executing trades on behalf of alleged front runner, he would have bought more shares rather than selling it of when the Big Client was still buying the shares and sold the same after the last buy of the Big Client. Hence, there is no BBS in the said instances. In 3 instances, FR's buy order end time was prior to BC's sell order end time. If the trades were FR trades, the person executing in the account would have bought shares after the last order of BC.

- e. *Instances where FRs buy and sell orders were between BC's start and end time:* In 10 instances, second leg was before the BC's buy order end time. Hence, they cannot be considered as BBS. In 4 instances, second leg was before BC's sell order end time. Hence, they cannot be considered as SSB.
- f. *Time difference between order time of Noticee 11 and BC:* In 38 instances of BBS pattern, in majority of cases there is a substantial time difference between the sell order start time of FR and buy order start time of BC. If one would have been privy to the trades of the BC, he would have simultaneously punched in sell order as soon as BC started placing the buy order. In majority of cases, the Big Client started buying a scrip and after a certain time difference the person executing trades in the account of Noticee 11 has started selling the scrip. In case one would have been privy to the trades of Big Client, he would have simultaneously punched in sell order as soon as the Big Client started placing the buy order. Further, in 10 instances of SSB pattern, in majority of cases there is substantial time difference between the buy order start time of FR and sell order start time of BC. If one would have been privy to the trades of the BC, he would have simultaneously punched in buy order as soon as BC started placing the sell order.
- g. *Volume of FR trades vs volume of BC trades and market volume:* Volume of FR trades vs. volume of BC trades is not substantial. Volume of FR trades vs. market volume is negligible.

- (iv) **Strict proof required for a charge of "fraud"**: Reliance is placed on order of Hon'ble SAT in R.K Global vs. SEBI (Appeal no. 158 of 2008) decided on September 16, 2010, Narendra Ganatra vs. SEBI (Appeal no. 47 of 2011), decided on July 29, 2011, Sterlite Industries (India) Ltd. vs. SEBI (2001) 34 SCL 485 and Parsoli Corporation vs. SEBI (Appeal no. 146 of 2011), decided on August 12, 2011 to submit that a charge of fraud cannot be proven based on surmises and a higher degree of probability is required to establish the same. Further, reliance is placed on the judgment of Hon'ble SC in the case of Ram Sharan Yadav vs. Thakur Muneshwar Nath Singh (1984) 4 SCC 649 to submit that charge of fraud cannot be attached on preponderance of probability and that compelling evidence should be brought on record to be held liable for "fraud".

- (v) **No formal profit sharing arrangement with Mr. Pranav (Noticee 3):** There was no pre-arranged or fixed profit sharing arrangement between Noticees 11 and 3 for carrying out genuine trades in the account of Noticee 11 by Noticee 3. It was a verbal understanding that 50% of the profits would be shared after deducting expenses, if any, and the same will be settled after a year based on performance. However, before any accounting of profits could be done, in May 2022, Noticee 11 became aware about certain alleged illegal activities of Noticee 3. Due to this, no profits were shared with Noticee 3 in respect of the alleged transactions. Noticee 11 denies the statement given by Noticee 3 that *“the profit made through the scheme was transferred from clients’ accounts to the person identified by Mr. Prijesh Kurani through angadias”* Noticee 3 has only made vague statements without providing any evidence with respect to the said profit sharing. Further, during the cross-examination of Noticees 1 and 2, both individuals have categorically confirmed that no financial transactions of any nature had taken place between them and Noticee 11.
- (vi) **Due diligence exercised by Mr. Nishil:** Mr. Nishil was actively trading in approximately 90% of the scrips for which alleged front running instances have been observed 9 months preceding the investigation period. As per the Interim Order cum SCN, there are 48 instances across 32 scrips where front running has been alleged. Out of the 32 scrips, prior to the investigation period, Noticee 11 had been regularly trading in 29 scrips. Majority of the scrips were not intra-day trades. Thus, even if regular trade confirmation messages or emails were received, the same would not have enabled Noticee 11 to identify or suspect any manipulative or coordinated activity. Further, the trades in Noticee 11’s account were predominantly executed in the derivatives segment, which is characterized by high liquidity and large trade volumes.

6.7 Olga Trading Pvt. Ltd., Mr. Krunal Khamar and Mr. Kamlesh Dhanrajani (Noticees 12 to 14):

- (i) **Duration of association with Olga Trading Pvt. Ltd. and inter-se relationship:** Mr. Krunal and Mr. Kamlesh (Noticees 13 and 14) were associated with Olga Trading Pvt. Ltd. from 2020 until February, 2022. Noticee 13 and 14 had ceased to be the directors of Noticee 12 on February 16, 2022 and February 21, 2022, respectively. Noticee 13

has been associated with Noticee 14 for a decade and is presently employed as an accountant in the business run by Noticee 14.

(ii) **No access to NPI:** Noticees 12 to 14 had no access to any NPI. They were not part of any information chain through which confidential information relating to the trading decisions of Axis Mutual Fund could have been received. In absence of such access, the most fundamental element required to establish front running is absent in the case of Noticees.

(iii) **Trades were not placed by Noticees 13 and 14 and no unlawful gain was made:**

The said Noticees neither placed the trades which form the basis of allegation nor did they derive any unlawful gain. In an order passed by SEBI QJA in the matter of Retro Green Revolution Ltd., it was held that unlawful gain becomes a crucial element while assessing role of entities involved and while determining regulatory directions such as disgorgement. Further, it held that disgorgement liability is to be fastened only on the main perpetrators who have actually executed the trades and derived wrongful gains, and not on persons whose accounts are merely used. The Interim Order cum SCN does not establish that the Noticees have received any unlawful gains or they were beneficiaries of any alleged scheme. In order of Hon'ble SAT in Sumit Kannugo & Riya Jain vs. SEBI, decision dated December 15, 2025, Hon'ble SAT held that disgorgement must correspond to the actual share of unlawful gains received by the concerned entity. If the profits are distributed in the ratio of 85:15 between the person executing the trades and the account holder, the disgorgement could be restricted to only the 15% share received by them. Since Noticees have not received any unlawful gain, disgorgement against them would be unjustified. The statements of Mr. Viresh Joshi dated August 26, 2022, Mr. Pranav Vora dated May 17, 2022 and August 08, 2022, Mr. Sumit Desai dated August 10, 2022 and Mr. Nishil Marfatia dated May 16, 2022 clearly shows that the alleged trading activity was not carried out by the account holder, but through a chain of multiple intermediaries operating at different levels. Certain individuals were responsible for generating and communicating trade related information and instructions, while others were engaged in arranging trading accounts and providing access to trading terminals. The actual placement and execution of trades were undertaken by a separate set of persons using such arranged accounts and systems. Noticees 13 and 14 were paid INR 50,000 per month for lending their account and that they have approximately earned INR 4 to 5 lakhs through lending.

- (iv) **No knowledge that trades were placed on basis of NPI:** Mere existence of trades in the account of company cannot automatically lead to the conclusion that Noticees 13 and 14 were aware of or involved in any alleged front running scheme. Noticees 13 and 14 had no knowledge that such trades were based on non-public information.
- (v) **No connection or nexus:** Noticees 12 to 14 had no connection with Axis Mutual Fund, its dealers, employees or any person who had access to confidential trading information relating to mutual fund. There is no evidence demonstrating any communication, association, financial transaction or personal relationship between the Noticees and the persons alleged to have been privy to the confidential trading information. In front running, it is essential to establish a clear link between the person who possessed the confidential information and the person who allegedly used such information for trading. Fraud or market manipulation require a higher degree of probability supported by credible evidence. The findings must be based on a chain of circumstances that clearly establish the involvement of the concerned entity in the alleged misconduct.
- (vi) **No fraud involved:** Section 12(A)(e) of the SEBI Act and regulation 4(2)(q) in PFUTP Regulations are specific provisions dealing with fraudulent or manipulative conduct in front running cases. This provision has not been invoked against Noticees 12 to 14. Contrary to the above, it has been alleged in paragraph 68 and 81 of the Interim Order cum SCN that Noticees 12 to 14 had “played an equally vital part” and “knowingly lent their accounts” to the alleged front runner Noticees which enabled them to execute the front running trades from their trading accounts. The findings are self-contradictory, inasmuch as the SCN at para 4.5 describes the Noticees merely as “conduits,” whereas the same SCN elevates their role to that of knowing participants. reliance on the decision in Hemant Sheth et. al. vs. SEBI and other connected appeals (SAT Order dated March 04, 2020) is wholly misplaced. In that case, the findings were rendered in the context of specific allegations and evidence demonstrating that the concerned entities were part of a coordinated fraudulent scheme. In the present case, however, no such allegation has been levelled against the Noticees in the SCN, nor is there any material to establish that the Noticees had knowledge of, or participated in, any alleged scheme.

- (vii) **No overlap with trades of Big Client:** In table no. 11 of the Interim Order cum SCN, it is stated that except for trades executed from the trading account of Noticee 12, a substantial percentage of scrip / contract days of all other Noticees, either in the cash segment or the derivative segment of the securities market, are common with the big client. The foundational basis relied upon by SEBI namely, consistent overlap with the Big Client, similarity in timing, and pattern-based execution is admittedly absent in the case of the present Noticees. As per Table 11, the total number of trades executed in the account of Olga Trading Pvt. Ltd. is 5770 trades spread across 145 calendar days, whereas the present proceedings pertain to only 74 alleged instances spread across 32 calendar days. This constitutes a minuscule fraction of the overall trading activity, and such limited overlap, if any, in a market involving numerous securities traded daily, can at best be coincidental and does not, by itself, establish any pattern or design indicative of front running.
- (viii) **No adverse directions should be passed:** In the order dated April 30, 2026 30-04-2026 passed by SEBI in the matter of front running trades by Prijesh Kurani & Ors., Noticees 2–6, who were alleged to have lent their trading accounts/bank accounts/CTCL terminals, were only directed to be vigilant and not to permit use of their accounts/terminals in future (para 61(vii)), and no monetary penalty was imposed upon them. Disgorgement, being an equitable remedy, can only be directed to the extent of ill-gotten gains actually received and retained by a noticee, and not otherwise. Table 11 itself reflects that the trading activity in the account of Olga Trading Pvt. Ltd. resulted in an overall loss, and consequently, no funds or alleged gains could have been transferred or siphoned.

6.8 Mr. Bhavin Shah and Ms. Rupal Shah (Noticees 15 and 16):

- (i) **No role of Noticees 15 and 16:** Paragraphs 14.5, 16.1, 21, 37, 45 to 48 and 61.1 of the Interim Order cum SCN do not attribute possession of non-public information or execution of trades based on such information to Noticees 15 and 16. Infact, it specifically states that the registered owners of the accounts in which the alleged front running trades were executed did not have any contact and did not receive any funds from Noticee 1 (who has been classified as the information carrier). There has not been a single call or fund transactions of the Noticees 15 and 16 with Noticees 1,2,4 and 5. The Interim Order cum SCN has restricted the role of Noticees 15 and 16 to alleged “lending of accounts’ to be operated by others for front running activities. It

does not show that that the Noticees had any direct nexus to front running activities. Reliance is placed on the judgment of Hon'ble Supreme Court in Balram Garg vs. SEBI (Civil appeal no. 7054 of 2021), wherein it was held that "merely because a person was related to the connected person cannot by itself be a foundational fact to draw an inference". Noticees 15 and 16 have been classified as "enablers". However, there is no concept of "enablers" under the definition of "front running".

- (ii) **Alleged lending of account is legally permissible:** Noticees 15 and 16 deny having lent their trading accounts. The said Noticees had authorized Noticee 3, to manage their account which is not prohibited (verifiable from the statement of Noticee 3). Noticees had not made any payment to Noticee 3 for managing their accounts. Noticees 15 and 16 were fulfilling the pay-in and pay-out obligations, maintaining margins in their accounts, keeping track of contract notes etc. The Noticees had also accounted for the profits earned in their books and have paid the required taxes. The trades were carried out in different 'A group' scrips thus there was no question of any doubt rising in the minds of the Noticees regarding the transactions. Merely because they had given their accounts to Noticee 3 to manage, did not mean that they had knowledge that their accounts were further given to Noticee 1.
- (iii) **There was no "possession" of information:** On a combined reading and analysis of SEBI Circular dated May 25, 2012 and regulation 4(2)(q) of PFUTP Regulations, front running inter alia encompasses "possession" of information about substantial impending transaction in securities. The Interim Order cum SCN clearly states that Noticees 1 and 5 had knowledge and information regarding substantial impending transactions. Further, paragraphs 16.1, 17.1 and 18 of the said order refers to "access" of non-public information. As per the definition of "front running", there is no concept of "access" to non-public information. SEBI is aware that front running allegation is required to be based on "possession" of such information. However, SEBI has accused Noticees 15 and 16 based on "access" to such information instead of "possession".
- (iv) **"Substantial impending transactions" have not been proved:** SEBI Circular dated May 25, 2012 and regulation 4(2)(q) of PFUTP Regulations, inter alia states that for the allegation of front running, there needs to be information about "substantial impending transaction" which is not publicly available. SEBI has not defined what is "substantial" in the SEBI Act, or rules and regulations thereunder. One of the ways to

ascertain the “substantiality” could be the impact of an order on the price of the security i.e., the variation on the price of that security once an order is placed by a big client. This is known as “impact analysis”, which has not provided by SEBI. In a SCN dated January 24, 2024, SEBI has provided a detailed impact analysis of the big client order. SEBI had also provided a detailed analysis, whether trades are substantial or not when is compared with the previous days traded quantity and with average daily traded quantity in preceding 6 months. The Noticee states that the impact of similar kind of orders on the price of different scrips may be substantially different, as various factors are responsible for impact. Some of the factors are liquidity in that particular scrip, volatility in the price of that scrip, availability of derivative contracts on that scrip, size of market float etc. However, no such analysis is made out in the Impugned Order to ascertain whether the impending transaction was substantial or not. In the absence of such analysis, the charge of impending substantial order has no legs to stand.

- (v) **BBS / SSB pattern not proved**: In case of Noticee 15, out of 44 alleged front running trades, 29 of such trades do not meet criteria of front running definition and there is no BBS / SSB pattern observed as alleged and total unlawful gain alleged through these transactions is INR 1,72,03,356.05. Similarly, in the case of Noticee 16, 38 out of 56 alleged front running trades, the pattern has not been followed as alleged and total unlawful gain alleged through these transactions is INR 27,97,211.8. The analysis of trades of Noticee 16 of trades on November 24, 2021 shows Big Client's Buy Order Start time as 11:37 am and Buy Order End Time as 15:28 pm. Ms. Rupal Shah's order has taken place at 12:41:37 i.e. in between somewhere when big client had already executed orders in scrip and was still continuing executing orders in the scrip. From this it is evident that the order of the Noticee is somewhere in between when big client is executing orders when the orders may have already impacted the price. Further, it cannot be said to have followed BBS pattern.
- (vi) **Alleged front running trades**: SEBI observed that the orders in the Noticees' trading accounts were placed prior to the last tranche of the impending order of the Big Client. The Noticees submit that the orders should be compared from the first tranche. The last tranches cannot be said to have front running transactions since the price impact is already in the initial trades and not later on and hence it cannot be said to have made any price impact.

- (vii) **Whistleblower complaint dated January 19, 2022:** The Interim Order cum SCN at paragraph 84.5 clarifies that when Noticee 15 acted as a whistle blower, in order to discredit his complaint, Noticee 1, 2, 3 and 5 made Noticee 15 to send an email / letter to his stock broker, claiming that he has full knowledge of the trades executed from his account. The alleged front running activity has been done at the back of the Noticees and no nexus with the Noticees has been brought in the Interim Order cum SCN. Therefore, Noticees 15 and 16 have not violated Sections 12A (a), (b) and (c) of SEBI Act and regulations 3(a), 3(b), 3(c), 3(d) and 4(1) of PFUTP Regulations.
- (viii) **“Intent” for fraud is missing:** The essential element of fraud is missing. Requirement of ‘intention’ is a pre-requisite to prove ‘fraud’ for violation of PFUTP Regulations. The offences alleged under the PFUTP Regulations in the present case are serious offences which require evidence of “fraud” or “deceit” and are not just ordinary civil defaults. It is a settled principle recognized by court of the law that “the necessity of ‘intent’ and the element of ‘fraud’ appears to be a pre-requisite in all parts of Regulation 3 and 4 of the PFUTP Regulations”.
- (ix) **Continued enforcement of directions of Interim Order cum SCN is contrary to precedents:** Noticees 15 and 16 have deposited the entire alleged wrongful gains of INR 1,98,38,702.85/- and INR 1,41,85,265.60/- into bank accounts with a lien marked in favour of SEBI on March 14, 2023. The major income of Noticees 15 and 16 is from the securities market. Conduct of SEBI is *ex-facie* contrary to the orders of Hon’ble SAT in the cases of *Affluence Fincon Services Pvt. Ltd. and Ors v. SEBI* (Appeal No. 269 of 2020) dated September 07, 2020, *Dr. Udyant Malhoutra v. SEBI* (Appeal No. 145 of 2020) dated June 27, 2020, *North End Foods Marketing Pvt. Ltd. vs SEBI* (Appeal No. 80 of 2019) dated March 12, 2019 and *Arshad Warsi v. SEBI* (Appeal No. 284 of 2023) dated March 27, 2023. The aforesaid orders have held that interim orders cannot continue indefinitely and that quasi-judicial authorities must pass reasoned orders after providing an opportunity of hearing. Noticees 15 and 16 have gone through immense prejudice for more than 3 years. The Interim Order cum SCN itself has been passed with a delay of nearly four months, without any explanation.

6.9 Visa Capital Partners, Mr. Suresh Jajoo, Ms. Vimla Jajoo, Mr. Ankit Jajoo and Ms. Sheepra Kabra (Noticees 17 to 21):

(i) **Lack of knowledge and participation:**

- (a) Noticees 17 to 21 deny any connections or involvement in the alleged front running and violation of the provisions of SEBI Act and PFUTP Regulations. At worse, the acts of Noticees 17 to 21 may fall under negligence.
- (b) Noticee 17 is a share trading firm and a client of Woodstock. The partners of Noticee 17 are Mr. Suresh Jajoo (also Managing Partner), Noticee 19 (Ms. Vimla, spouse of Noticee 18), Noticee 20 (Mr. Ankit, son of Noticee 17) and Noticee 21 (Ms. Sheepra, daughter of Noticee 18). Noticees 19 to 21 were passive partners and not involved in day-to-day decisions of Noticee 17. Noticee 18 is also the promoting shareholder of Woodstock.
- (c) There is no connection or nexus shown between the masterminds of the alleged scheme being Noticees 1, 2, 5 and Noticees 17 to 21. Noticees 18 to 21 were not aware that the trades were being executed based on instructions of Noticee 1 or 5. The allegations, at best, point to a peripheral and unintended association without any knowledge of fraud or front running, which falls short of the threshold required to establish a violation under the PFUTP Regulations. In paragraph 46 the Interim Order cum SCN itself states that “..*none of the registered owners of these trading accounts from where the prima facie front running trades were executed nor their authorized representatives had any kind of direct contact with Mr. Viresh Joshi...*”
- (d) Noticee 18 and Mr. Darshan Desai have been acquainted since Mr. Darshan bought a flat in March, 2016 in one of the projects developed by Woodstock Realities Pvt. Ltd., in which Noticee 18 is a promoter and director. Their relationship was professional in nature, and limited to trading related interactions and transactions. Mr. Darshan approached Noticee 18, through his brother (Noticee 2) with a request to trade using Noticee 17's terminal, which was granted.
- (e) Noticee 18 was under the impression that Mr. Darshan was placing orders on the terminal and agreed to a profit sharing of 30:70 between Noticee 17 and Mr. Darshan without any written agreement and based on informal commercial understanding which existed approximately from November, 2021 to February,

2022. Merely knowing Mr. Darshan and permitting him to use the terminal on profit sharing basis cannot be a ground to impute knowledge about front running to Noticees 17 to 21.

- (f) Noticee 17 facilitated the trading process by remotely installing the ODIN software on Mr. Darshan's computer system. The installation was not in relation to any front running activity of the Noticees. Usage of trading terminal by third parties is a normal market practice as per the rules of the stock exchanges. Further, the technology support given by the office of the broker was at the instance of Mr. Darshan. It is not uncommon for traders to keep changing the device and travel and trade from overseas. This does not establish that Noticee 5 and Noticees 17 to 21 are known to each other.
- (g) The increase in profits and trading volume during the investigation period was initially attributed to legitimate trading activities and market dynamics. On discovering the pattern of generating profits and volume, Noticee 17 terminated the account access to the trading terminal in February, 2022. The Noticees reviewed account statements periodically, and had access to contract notes and ledger statements. However, even if more detailed monitoring would have been done, it would not have been possible for Noticees 17 to 21 to discover the alleged front running.
- (h) There was no cash transaction involved in the matter and no cash payments were made as alleged in the Interim Order cum SCN. No proof of such payment has been brought on record in the Interim Order cum SCN.
- (i) The Interim Order cum SCN classifies the account of the Noticees as "mule account", which is defined in regulation 2(4)(da) of PFUTP Regulations. As per the definition of "mule accounts", the emphasis is on the person who transacts through such mule account for fraudulent purposes. The regulatory intent is to capture the wrongdoer who uses the account as a device for manipulation.
- (ii) **Necessary party has not been made a Noticee:** Mr. Darshan has neither been included as a party to the proceedings nor has he been summoned during the course of investigation. Without implicating Mr. Darshan, the Noticees cannot be implicated in the matter as the connection with the main group of people in the alleged front running is not established. The investigation itself corroborates the fact that there

exists no direct connection or nexus between Noticee 2 and Noticees 17 to 21. The only link appears to be of Mr. Sumit who is the brother of Mr. Darshan. Such a relationship, by itself, cannot give rise to any presumption of linkage or complicity in the absence of substantive evidence. Reliance has been placed on the order of Hon'ble SAT in Manish Suresh Joshi vs. SEBI (Appeal no. 2 of 2020), dated January 13, 2020, wherein the appellant was exonerated on the ground that a link in the chain is broken and there is no other connection between the appellants therein and other entities. Reliance is also placed on the order of Hon'ble SAT in Kaushik Rajnikant Mehta vs. SEBI (Appeal no. 76 of 2019), wherein Hon'ble SAT has held that if one of the entities who is not charged in the show cause notice is a link for synchronized trading, then that charge cannot be proved.

- (iii) **Computation of alleged illegal gains**: In terms of the Interim Order cum SCN, Noticees 17 to 21 created a savings bank account and deposited INR 14,07,03,343 under protest with lien marked in favour of SEBI. The computation reflected in the Interim Order cum SCN appears to be based on gross trading gains and not on net income actually incurred or retained by the Noticees. Noticees 17 to 21 have incurred expenses which are reasonable and necessary for any trade, to the extent of INR 1,69,66,380. Further, the profits were being shared in the ratio of 30:70 between Noticees 17 to 21 and Mr. Darshan Desai. Statutory levies and mandatory charges were also duly paid, including but not limited to income tax, goods and services tax, securities transaction tax, exchange transaction charges, brokerage on sales and purchases, stamp duty, surcharge and health and education cess. The disgorgement, if imposed, must be confined to the net wrongful gain and not the gross turnover belonging to the Noticee. If the amounts were permitted to be placed in a fixed deposit instead of savings account during the pendency of the proceedings, it would have earned substantially higher interest over 3 years. The Noticees have suffered a loss on account of the lower interest accrued.

C. CONSIDERATION OF ISSUES AND FINDINGS

7. Before I proceed to deal with the Noticees' written and oral submissions and adjudicate the allegations levelled against them, I find it necessary to indicate the different roles played by the Noticees in the alleged front running scheme:

- (i) Mr. Viresh Joshi (Noticee 1) is alleged to the information source i.e, the person stated to have had access to the Big Client's impending orders.
- (ii) Mr. Sumit Desai, Mr. Pranav Vora and Mr. Vaibhav Pandya (Noticees 2 to 4), who are stated to have arranged mule accounts and facilitated access to trading infrastructure which was used for front running.
- (iii) Mr. Prijesh Kurani (Noticee 5) is alleged to have placed front running trades through multiple accounts, including accounts of his family members and a company associated with his brother, Mr. Bindesh Kurani (Noticee 10). These connected persons, namely, Mr. Prijesh Kurani, Ms. Dharini Kurani, Ms. Rekha Kurani, Ms. Bharti Godaya, M K B Bespoke Audio General and Mr. Bindesh Kurani (Noticees 5 to 10) are collectively referred to as the "**Kurani Group**".
- (iv) The demat accounts of Mr. Nishil Marfatia, Olga Trading Pvt. Ltd., Mr. Bhavin Shah, Ms. Rupal Shah and Visa Capital Partners (Noticees 11, 12, 15, 16 and 17) are alleged to have been used as mule accounts to execute front running trades by Mr. Viresh (Noticee 1) and Mr. Prijesh (Noticee 5).
- (v) It is further alleged that the front running trades were placed by Mr. Prijesh (Noticee 5) by using trading terminals of two broking members, Marfatia Stock Broking Pvt. Ltd. ("**MSBPL**") and Woodstock Broking Pvt. Ltd. ("**WBPL**"). Since Mr. Nishil Marfatia, Olga Trading Pvt. Ltd., Mr. Bhavin Shah, Ms. Rupal Shah (Noticees 11, 12, 15 and 16) held their demat accounts with MSBPL, they are collectively referred to as the "**Marfatia Group**". Further, the director of WBPL and one of the partners of Visa Capital Partners (Noticee 17) is Mr. Suresh Jajoo (Noticee 18). 3 other Noticees are also partners of Visa Capital Partners (Noticees 19 to 21). Therefore, Visa Capital Partners, and its partners, namely, Mr. Suresh Jajoo, Ms. Vimla Jajoo, Mr. Ankit Jajoo and Ms. Sheepra Kabra are collectively referred to as the "**Jajoo Group**".

8. I have considered the allegations in the Interim Order cum SCN, written submissions, oral submissions and other material available on record. In this regard, I find it appropriate to begin by dealing with the preliminary objections raised by the Noticees.

C.1 PRELIMINARY ISSUES

C.1.1 Violation of principles of natural justice

C.1.1.1 No urgent need to issue the ex-parte Interim Order cum SCN

9. Mr. Pranav Vora (Noticee 3) has submitted that the alleged fraud stopped on May 02, 2022 and SEBI's investigation was concluded by August, 2022. Despite the above, the ex-parte order was passed only on February 28, 2023.
10. In this regard, I find that examination in front running matters require gathering of information from multiple institutions such as stock brokers, stock exchanges, banks, depositories, telecom service providers, etc. Voluminous data needed to be processed and analyzed before a *prima facie* conclusion could be drawn. Further, in the present case, search and seizure operations were carried out for various entities.
11. Moreover, the Interim Order cum SCN in paragraph 84, itself mentions the need for passing interim directions. The same are not repeated herein. However, an important aspect highlighted in the aforesaid paragraph is that Mr. Viresh Joshi (Noticee 1), incorporated a company in Dubai named Vintage Capital Investment LLC, for allegedly transferring the wrongful gains generated from the front running scheme. Based on the data provided by the Securities and Commodities Authority UAE (SCA UAE), the investigation has observed that during the period between April 05, 2022 to May 10, 2022, an amount equivalent to INR 11.62 crores was deposited in the bank account of Vintage Capital Investment LLC. Further, there are various WhatsApp chats between Mr. Prijesh Kurani and Mr. Bindesh Kurani (Noticees 5 and 10) which mention ledger accounts of Mr. Viresh / Noticee 1 / "Jadugar" and details the money transferred to Dubai in tranches. The total amount found in the bank account of Vintage Capital Investment LLC and as discussed in WhatsApp chats between Noticees 5 and 10, are similar. The Interim Order

cum SCN also records in paragraph 61 that post the search and seizure operation carried out by SEBI on May 12, 2022 in the premises of spouse of Noticee 5 (Ms. Dharini Kurani), the entire amount in the bank account of Vintage Capital Investment LLC maintained with Ajman Bank, Dubai, was transferred to Mr. Bindesh (Noticee 10). Mr. Sumit Desai and Mr. Pranav Vora (Noticees 2 and 3) have also deposed before SEBI that the profit made through the alleged scheme was transferred from other accounts to them through cash / Angadias. Infact, Mr. Sumit (Noticee 2) has also deposed that the said cash used to be further transferred to Mr. Viresh (Noticee 1). In view of the above, interim directions were required to be passed to ensure that post passing of the Final Order in the matter, if direction of disgorgement is issued against the Noticees, the implementation of the said direction does not get defeated. Hence, this contention is not justifiable.

12. Further, Mr. Pranav (Noticee 3) has submitted that the ex-parte order uses the word “prima facie” frequently, giving an impression that the investigation is ongoing and the ex-parte order has been passed pending final investigation in the matter. In this regard, I note that the Interim Order cum SCN uses the word “prima facie” as the charges are not established yet. It is made clear in the Interim Order cum SCN that the investigation with respect to the present set of Noticees, is completed in paragraph 2 itself, which reads as:

“....the present proceedings involving the front running of trades of Axis MF (Big Client) where prima facie examination and investigation are complete, deal with a few suspected entities and trading members who appeared to have been working in close coordination with each other to front run the trades of the Big Client during the period September 1, 2021 to March 31, 2022....”

(emphasis supplied)

Therefore, this contention of Mr. Pranav (Noticee 3) is unfounded.

C.1.1.2 Denial of request to revoke interim directions despite deposit of the alleged illegal gains

13. Mr. Sumit Desai, Mr. Pranav Vora, Mr. Bhavin Shah and Ms. Rupal Shah (Noticees 2, 3, 15 and 16) have submitted that the interim directions have been continuing against the Noticees for over 3 years, which has prejudiced them. Further, the above Noticees along

with Mr. Vaibhav (Noticee 4) have submitted that upon deposit of the alleged unlawful gains, the restrictions pertaining to trading against Noticees must be lifted. The above practice has been followed by SEBI in the cases of Jane Street Group (supra), Sanjiv Bhasin (supra), Madhav Stock Vision Pvt. Ltd. (supra), Ashish Kothari (supra), and Rohit Salgaocar, Ketan Parekh and Ors. (supra).

14. In this regard, it is important to understand the sequence of events in the present matter:

Table 3

#	Date / Period	Particulars
1.	February 28, 2023	Interim Order cum SCN was passed by WTM of SEBI (" First WTM ").
2.	March, 2023 to December, 2023	The matter was placed before another WTM of SEBI (" Second WTM "). Inspection opportunities were availed by 9 Noticees (Noticees 1, 2,3, 11,17 to 21) and replies on merits were filed by 12 Noticees (Noticees 2, 5 to 10, 17 to 21). Hearing opportunity was provided to all 21 Noticees, out of which only 5 Noticees (Noticee 17 to 21) availed the opportunity. 12 Noticees (Noticee 3 to 10, 12, 14 to 16) specifically made a submission either stating that they accept the allegations levelled in the Interim Order, or, stating that they have nothing additional to submit.
3.	December 12, 2023	Mr. Viresh Joshi (Noticee 1) filed an appeal before Hon'ble SAT regarding a SEBI communication through which he was denied the opportunity to conduct inspection of certain additional documents. The appeal was partially allowed by Hon'ble SAT vide order dated September 18, 2025. In line with the directions of Hon'ble SAT, SEBI granted inspection of documents to Noticee 1 again.
4.	March and May, 2024	Cross-examination was requested and granted to certain Noticees.
5.	June 23, 2025	After the Second WTM demitted office on May 30, 2025, the matter was allocated to another WTM of SEBI (" Third WTM ").
6.	October 09, 2025	The Third WTM demitted office, which necessitated rehearing of all the Noticees.
7.	November, 2025	Mr. Bhavin Shah and Ms. Rupal Shah (Noticees 15 and 16) filed an appeal before Hon'ble SAT requesting permission to sell some securities lying in their demat account. Hon'ble SAT directed SEBI to decide the request within a week, which was complied with. Noticees 15 and 16 were allowed to sell securities.
8.	November 14, 2025	The present case was allotted to the undersigned.

#	Date / Period	Particulars
9.	January 08, 2026	A hearing notice was issued by the undersigned to 18 Noticees. Noticees 1, 15 and 16 were not issued a hearing notice as they were yet to avail the inspection granted by SEBI
10.	January 14, 2026	Hon'ble SAT by way of an order directed SEBI to dispose of the case by March 31, 2026.
11.	January 30, 2026	Hearing was conducted of the Jajoo Group (Noticees 17 to 21).
12.	January to February, 2026	The 12 Noticees (Noticee 3 to 10, 12, 14 to 16) which, in the year 2023, made submissions either stating that they accept the allegations levelled in the Interim Order cum SCN or stating that they do not intend to make any further submissions, post direction of the Hon'ble Tribunal to dispose of the case by March 31, 2026, requested for inspection of documents and/or sought for time to file replies. Inspection was granted during this time to Noticees Mr. Viresh, Mr. Sumit, Mr. Pranav, Mr. Vaibhav, Mr. Bhavin and Ms. Rupal (1,2,3,4, 15, 16).
13.	March 06, 2026 to March 13, 2026	Hearing was conducted before the undersigned of Mr. Sumit, Mr. Pranav, Mr. Vaibhav, M K B Bespoke Audio General, Mr. Bhavin and Ms. Rupal (Noticees 2, 3, 4, 9, 15, 16).
14.	March 18, 2026	Inspection was granted to majority members of the Kurani Group (Noticees 5 to 8, 10) and part of the Marfatia Group (12 to 14).
15.	March 24, 2026	A miscellaneous application was filed by SEBI before Hon'ble SAT requesting for an extension. Hon'ble SAT vide its order dated March 27, 2026 extended the time by three months from the said date to pass the final order.
16.	April 24, 2026	Mr. Viresh (Noticee 1) filed an appeal before Hon'ble SAT requesting for time to file a reply to the Interim Order cum SCN citing his incarceration and voluminous nature of the documents given in inspection. Hon'ble SAT vide its order dated April 28, 2026, directed SEBI to pass the final order by July 25, 2026.
17.	April 22, 2026	On their request, another inspection opportunity was granted to part of the Marfatia Group (Noticees 12 to 14).
18.	April 30, 2026	Hearing was conducted before the undersigned of part of the Marfatia Group (Noticees 12 to 14).
19.	May 08, 2026 and May 27, 2026	Hearing conducted of Mr. Viresh (Noticee 1) and majority members of the Kurani Group (Noticees 5,6,7,8,and 10).
20.	May 31, 2026	Additional submission filed by Mr. Viresh (Noticee 1).
21.	July 13, 2026	Additional submission filed by part of the Marfatia Group (Noticees 15 and 16).

15. From the above, it is clear that the Noticees have raised multiple requests such as inspection and also have altered their defense throughout the course of proceedings. It is also admitted that while the requests were being attended to, the earlier WTM (Second

WTM) demitted office, and a fresh opportunity of hearing became a legal necessity in line with the principle of administrative law that “*he who hears must decide*”. In light of the above, I am of the view that due process has been followed in the present case, and simultaneously proceedings, were expedited despite the challenges posed by the dilatory conduct of some Noticees.

16. Regarding the submission of Mr. Sumit, Mr. Pranav, Mr. Vaibhav, Mr. Bhavin and Ms. Rupal (Noticees 2, 3, 4, 15 and 16) that interim directions ought to be revoked as they have deposited the alleged illegal gains, I note that while the deposit may provide security for future disgorgement, it does not alleviate the danger posed to the market by the Noticees. The allegations, if true, show that the Noticees are sophisticated players of the market who used a network of entities, mule accounts, technology, cash transfers and Angadias to avoid the fraudulent scheme from early detection. If the Noticees are allowed to operate in the market, the risk of recurrence remains a high probability. As stated earlier, the Interim Order cum SCN also alleges that some wrongful gains may have been diverted from Mr. Viresh / Noticee 1’s company to Mr. Bindesh Kurani (Noticee 10), who is based in Dubai. In view of the above, I find that the restraints imposed by the Interim Order cum SCN were a necessary measure until a final determination is reached.
17. Further, Mr. Pranav (Noticee 3) has submitted that if investigation was concluded by SEBI 3 years ago, SEBI is answerable as to why it took 3 years to provide a personal hearing while interim directions continued against him. From paragraph 14.2 of the investigation report, it is evident that the investigation report was ready when the ex-parte order was passed. In this regard, from the material available on record, I note that Mr. Pranav (Noticee 3) had conducted an inspection on March 24, 2023. Thereafter, on March 27, 2023, he had sent an email (pranavkumar263@gmail.com) stating:

“I have taken inspection of the documents on March 24, 2023.

In this regard, I agree with the allegations levelled against me in the aforesaid order. I agree with my statement given to the investigating authority on August 8, 2023 and August 16, 2023.

I would like to reiterate that I did not know Viresh Joshi at the beginning. I was not sure about the gravity of the scheme operated by Viresh Joshi. “

(emphasis supplied)

18. I note that on September 20, 2023, an email was sent communicating that a hearing opportunity has been provided to Mr. Pranav (Noticee 3) on October 26, 2023 before the earlier Quasi-Judicial Authority (Second WTM). However, from the material available on record, I note that the aforesaid hearing opportunity was not availed. Eventually, he asked for and he was granted a hearing opportunity before me on March 06, 2026. Thus, I note that after accepting all the allegations levelled in the Interim Order cum SCN and not participating in the hearing opportunity provided, Noticee 3 now cannot claim that he was given a hearing opportunity after 3 years.

C.1.1.3 Deficiencies in the Investigation Report

19. Mr. Pranav (Noticee 3) has submitted that on conducting inspection he found that the copy of the investigation report supplied to him is undated and the request for a dated copy was subsequently rejected by SEBI. I note that in the present case, Mr. Pranav (Noticee 3) has conducted an inspection, received the entire copy of the investigation report and annexures, filed a comprehensive reply, and attended the hearing. I find that the absence of a date on the investigation report does not render it non-genuine and has not compromised or prejudiced the Noticee's right to defense. The investigation report is prepared to assist the SEBI board in deciding whether SEBI should initiate an action. The specific allegations along with the relevant facts are in any case reproduced in the Interim Order cum SCN as well.

C.1.1.4 Trade logs not provided

20. Mr. Viresh (Noticee 1) has claimed that SEBI has failed to provide the documents requested by him *vide* letter dated May 26, 2024, (i) trade log and order log of the trades executed in various schemes promoted by Axis MF; (ii) trade logs of the trades of all such entities against whom allegations of having front run the trades of Axis MF on behalf of

Mr. Viresh (Noticee 1) has been imposed, for the period from September 01, 2021 to March 31, 2022. In this regard, I note that along with letter dated August 24, 2023, a Compact Disk (CD disk) was provided to Mr. Viresh (Noticee 1) which contained *“trade log and order log of various schemes of Axis Mutual Fund and front runner entities for the period September 01, 2021 to March 31, 2022”*. Thus, I do not find any merit in this submission.

C.1.2 Extraterritorial jurisdiction

21. The Kurani Group (Noticees 5 to 10) have contended that Mr. Priyesh and Ms. Dharini (Noticees 5 and 6) are residents of Dubai and do not fall under the regulatory ambit of SEBI. Further, they have claimed that passing any direction against them is *non est* and devoid of jurisdiction.
22. I find no merit in the above submission. The alleged front running took place in India with the information carrier, conduit entities, and Big Client being in India and by using market infrastructure of India. If front running is established, the conduct of the Noticees had direct impact on the Indian securities market and Indian investors. The “effects doctrine” states that a Court or a Regulator is allowed to take action over a conduct occurring outside its territory if the conduct produces or is likely to produce substantial effects within the territory. In the case of SEBI vs. Pan Asia Advisors Ltd. and Anr. (Civil Appeal No. 10560/2013) judgment dated July 06, 2015, Hon'ble SC held that:

“96. A reading of the above judgment makes it clear that a law enacted by Parliament if shows that for proceeding against in exercise of any extra territorial aspect, which has got a cause and something in India or related to India and Indians in terms of impact, effect or consequence would be a mixed matter of facts and of law, then the Courts have to enforce such a requirement in the operation of law as a matter of law itself..... Keeping the said principle thus pronounced by this Court in mind, when we examine the SEBI Act, 1992 read along with SCR Act, 1956 as well as the 1993 Scheme, we find that the Act itself provides for proceeding against any person in order to protect the interests of investors and the stock market in India with reference to any fraud played against such interest of the investors in India.

...

102 Therefore, when we apply the above principles set down in the said judgment to the case on hand, we are convinced that the principle of “effects doctrine” will apply to the case on hand since we have found that in the event of the allegations noted in paragraph 74 of this judgment levelled against the respondents by the appellant being established, it will have a far reaching consequence on the Indian investors on securities as well as the stock market and consequently the duty of the SEBI to protect their interests would automatically come into play as stipulated under Sections 11B, 11C, 12 and 12(A) of the SEBI Act, 1992. Therefore, the said judgment when applied carefully we find that the same supports the case of the appellant rather than the respondents.”

(emphasis supplied)

23. From the above, I note that the Hon'ble Supreme Court has affirmed in the context of GDR related frauds that SEBI's mandate extends to extra-territorial entities and acts where the fraudulent scheme has an effect on the Indian securities market and investors.

C.1.3 Non-impleadment of necessary party

24. The Jajoo Group (Noticees 17 to 21) have argued that Mr. Darshan Desai has neither been included as a party to the proceedings nor has he been summoned during the course of investigation. Without implicating Mr. Darshan (who was the link between Noticees 2 and 17 to 21), the Jajoo Group (Noticees 17 to 21) cannot be implicated in the matter as the connection with the main group of people in the alleged front running is not established. According to them, the only link appears to be of Mr. Sumit (Noticee 2) who is the brother of Mr. Darshan. Reliance has been placed on the orders of Hon'ble SAT in Manish Suresh Joshi vs. SEBI (Appeal no. 2 of 2020), dated January 13, 2020 and Kaushik Rajnikant Mehta vs. SEBI (Appeal no. 76 of 2019), to submit that if a link in the chain is broken and there is no other connection between the entities, then the charge of fraud cannot be proved.
25. In this regard, in the case of Udit Narain Singh Malpaharia vs. Additional Member, Board of Revenue, Bihar (AIR 1963 SC 786), decision dated October 19, 1962, Hon'ble Supreme Court has held as under:

“To answer the question raised it would be convenient at the outset to ascertain who are necessary or proper parties in a proceeding. The law on the subject is well settled: it is enough if we state the principle. A necessary party is one without whom no order can be made effectively; a proper party is one in whose absence an effective order can be made but whose presence is necessary for a complete and final decision on the question involved in the proceeding.”

(emphasis supplied)

26. Further, in the case of Competition Commission of India vs. Steel Authority of India Ltd. and Ors., [2010]11SCR112, decision dated September 09, 2010, Hon'ble Supreme Court has held that:

“...While non-joinder of necessary parties may prove fatal, the non-joinder of proper parties may not be fatal to the proceedings, but would certainly adversely affect interest of justice and complete adjudication of the proceedings before the appropriate forum.”

27. I find that even if the Jajoo Group (Noticees 17 to 21) were introduced to Mr. Sumit (Noticee 2) through his brother, Mr. Darshan, their liability is alleged due to the trades executed in the account of Visa Capital Partners (Noticee 17) on the basis of non-public information of Big Client. What is relevant to the allegations is that the non-public information was transmitted and acted upon. Who made the introduction to individual Noticees, is not of relevance to decide whether NPI was communicated and front running trades were executed. Further, the reliance on the cases of Hon'ble SAT in Manish Suresh Joshi (supra) and Kaushik Rajnikant Mehta (supra) is misplaced. The above two cases pertain to price / volume manipulation where the link or the connection between the entities was considered central to show synchronization of trades. As stated earlier, the three essential ingredients for establishing the charge of front running are: (i) possession of non-public information; (ii) such information needs to be in relation to a substantial impending transaction in securities; and (iii) trading in such securities. In view of the above, the contention that the present proceedings against the Jajoo Group (Noticees 17 to 21) must fail in absence of impleadment of Mr. Darshan Desai is dismissed.

C.1.4 Evidentiary value of the statements of Mr. Viresh Joshi

28. During the course of the investigation by SEBI, statements of Mr. Viresh Joshi (Noticee 1) were recorded on oath on the following dates:

- a. May 26, 2022 at his residence during search & seizure conducted by SEBI (“**First Statement**”);
- b. August 28, 2022 at SEBI’s head office (“**Second Statement**”);
- c. November 16, 2022 at SEBI’s head office (“**Third Statement**”).

29. The contents of each statement of Mr. Viresh Joshi are discussed below:

- a. First Statement: The statement contains information about movable and immovable assets owned by him in India and overseas, business and profession details of his immediate family members, and details about the number of bank and demat accounts held by him and his family. When he was asked whether knowingly or unknowingly he has shared information about the Big Client before execution and during execution to any third party, he did not specifically answer the question but stated that: *“Fund Manager....., Compliance Officer-... were aware about the trades of Axis mutual Fund before execution and during execution. Also, some time...was aware about trades of Axis mutual Fund before execution and during execution. Broker’s empaneled by Axis mutual Fund are also aware about the trades of Axis mutual Fund before execution and during execution”*. Thereafter, similar blank responses can be seen when he is asked about (i) why the cheque book of his father’s HUF and payslips of cheques issued to his brother and father’s bank accounts were found in his home; (ii) why the bank accounts of his family members including his brother and father were linked to his email ID; (iii) why his spouse has a joint bank account with his brother; (iv) why an amount between INR 40 to 60 crores during January, 2020 to November, 2021 from various entities was deposited in bank account of his family members which are linked to his email ID; (v) how a mobile phone number +91 846XXXX962 was found in his home

which is registered in the name of one, Mr. Deven Jotania. There were no other questions posed to him or statement made by Mr. Viresh (Noticee 1) regarding the alleged front running trades.

- b. Second Statement: Mr. Viresh (Noticee 1) stated that he used 4 mobile numbers, out of which 2 are currently not being used by him (+91 851XXXX891 and 91 846XXXX962). Mr. Viresh unambiguously admitted that he had front run the trades of the Big Client, by taking help of certain people, including Mr. Sumit Desai (Noticee 2). Mr. Sumit arranged demat accounts for him and also introduced Mr. Viresh to his employees, including Mr. Vaibhav Pandya (Noticee 4) and Mr. Prijesh Kurani (Noticee 5). According to Mr. Viresh, several individuals were working for Mr. Sumit such as Mr. Pranav Vora (Noticee 3), Mr. Nishil Marfatia (Noticee 11), Mr. Bhavin Shah (Noticee 15) and Mr. Suresh Jajoo (Noticee 18). Mr. Viresh would provide trade related information of the Big Client to the aforesaid employees through Apple FaceTime or BOTIM. The employees would use the said information to place trades in the demat accounts arranged by them. The profits from the above scheme were given to Mr. Viresh in cash and the profit sharing ratio was 90% to him and 10% to the arrangers, which would reduce based on tax liability.
- c. Third Statement: In this statement, Mr. Viresh (Noticee 1) has largely reiterated his answers from the Second Statement. He has stated that in the past also used mobile numbers +91 851XXXX891 and 91 846XXXX962. He asked Mr. Sumit (Noticee 2) to arrange demat accounts for him and that he was passing trade related information of the Big Client to employees of Mr. Sumit (Noticee 2), including Mr. Prijesh (Noticee 5). The profits were transferred to him in cash. The cash was then transferred by him to bank account of certain individuals who had shown in their books that they have funds, when in reality, they did not have funds. Such individuals, after receiving the cash, would issue a cheque to Mr. Viresh (Noticee 1) after deducting a certain percentage.

30. In his reply, Mr. Viresh (Noticee 1) has contended that the First Statement made before SEBI presents the true and correct factual position wherein he has maintained his innocence with respect to the allegations levelled. In this regard, I note that a close look

at the First Statement, reveals that it is largely irrelevant for uncovering the truth of the alleged fraud. In this deposition, Mr. Viresh (Noticee 1) has only provided factual details regarding his family members and assets. Since his first deposition is devoid of any substantive value for most part regarding the subject matter of the investigation, placing reliance on it as a defense is practically meaningless.

31. Mr. Viresh (Noticee 1) has claimed that the Second Statement and Third Statement were recorded by the investigating team of SEBI by coercion and that statements by a person cannot be admitted into evidence if they have been obtained through compulsion. He has also alleged that there exists irreconcilable inconsistency between the First Statement of Mr. Viresh (Noticee 1) and the subsequent statements. As to the claim of 'inconsistency', the summary of the content of the statement, as recorded above, itself *ex facie* demonstrates how the First Statement has no relevance to the allegation of front running.
32. At the outset, I note that the claim of duress with respect to the Second Statement and Third Statement was raised for the first time before SEBI in Mr. Viresh's reply of November 28, 2023 (i.e, 1 year after his last statement was recorded by SEBI in the present case). I note that both the statements contested by Mr. Viresh (Noticee 1) to be recorded under duress contain his signature and further states that *"The statement is given by me voluntarily without fear, coercion, threat or inducement. This statement is recorded as stated by me and understood by me in proper way before signing. I, Viresh Joshi acknowledge that I shall be responsible for the statement and the averments made herein above"*. However, to remove any doubts of coercion, it becomes necessary to examine the circumstances under which such alleged coercion took place according to Mr. Viresh (Noticee 1). In relation to the above, images of the complaint filed by Mr. Viresh (Noticee 1) which provides details about the conduct of SEBI are reproduced below:

[page intentionally left blank]

Image 1: Page 1 of complaint letter dated August 26, 2022

August 26, 2022

To,
The Officer-in-charge,
Mulund Police Station,
Purushottam Khemraj Bhavan, Netaji Subhash Road,
Mulund (West), Mumbai, Maharashtra - 400080

Subject: Application for registering complaint of recording statement and taking signatures with force and coercion.

Respected Sir/Madam,

Through this letter, I wish to bring to your goodself's attention that I was directed by the officers of the Securities and Exchange Board of India ("SEBI"), through Summons, for Personal Appearance Before the Investigating Authority dated August 25, 2022, to be personally present at their office on August 26, 2022 at 1130 Hours, located at Bandra Kurla Complex, Mumbai, purportedly for the purpose of answering questions posed by the Investigating Authority and to sign the notes taken down during the examination, as a part of the investigation in the matter of the alleged front running of trades in Axis Mutual Fund.

During my personal attendance at the office of SEBI, I was placed in a room for the examination and was surrounded by multiple officers of SEBI including [REDACTED] and was made to feel intimidated by the number of officers present in the room. Subsequently, I was bombarded with a series of questions, the information of which I was not able to and could not recollect immediately. Thus, I was not able to sufficiently provide any response to all the questions posed to me, although I tried my best to answer all the questions with complete truth.

However, I was threatened with possibility of disastrous consequences and future mistreatment if I did not comply with the demands of the officers of SEBI and provide them with the answers as were sought by them and the manner in which they wanted the reply. The presence of multiple officers of SEBI created a highly stressful situation especially upon learning of the aforesaid consequences.

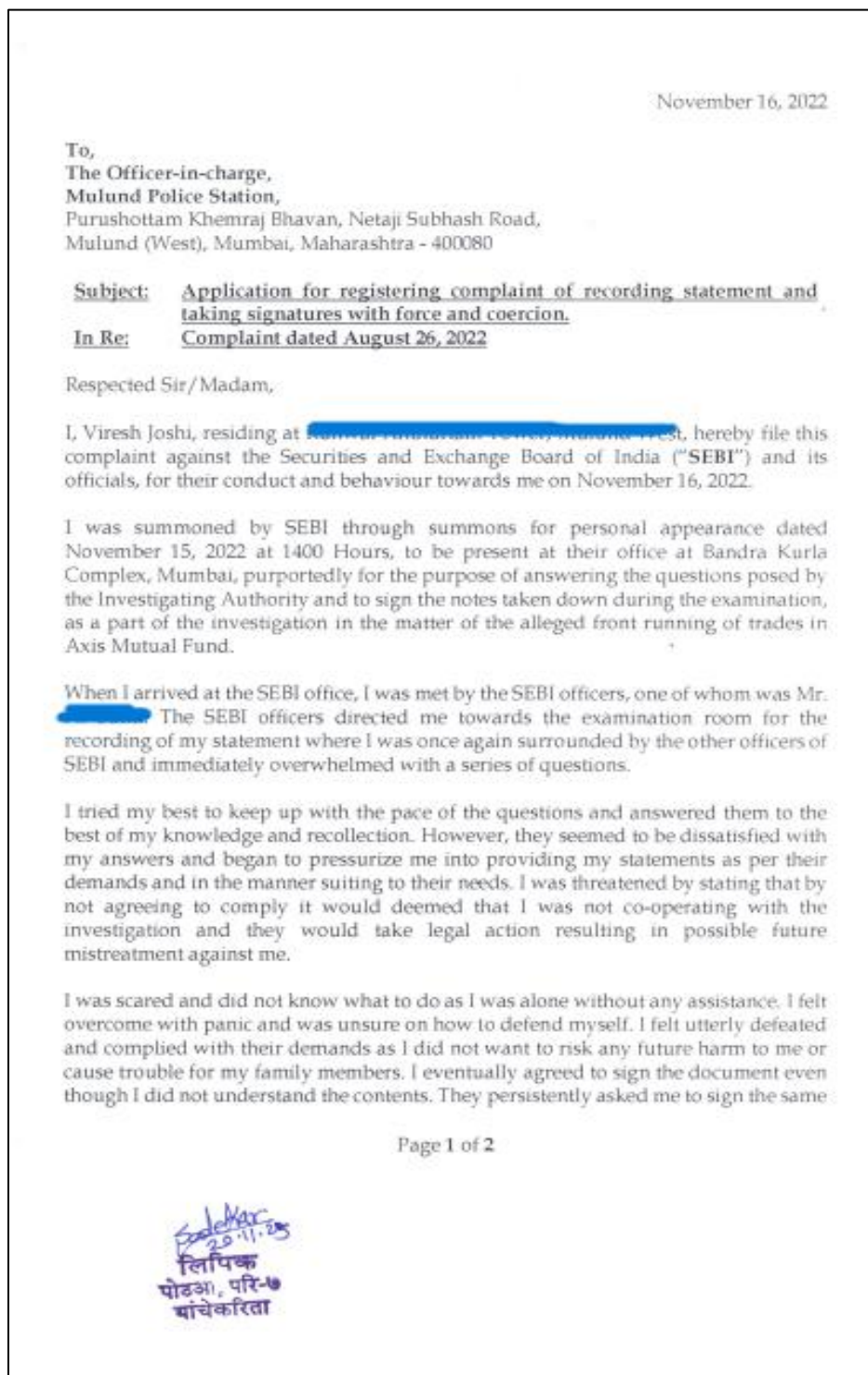
I was also made to sign certain documents, containing the answers to the questions as scripted and drafted by the officers of SEBI. I was present in the office of SEBI till 2300 Hours.

As a result, due to the coercion and fear, the answers given and documents signed by me were under severe duress to unduly elicit compliance.

Page 1 of 2


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Image 2: Page 1 of complaint letter dated November 16, 2022



33. In this regard, I note that while Mr. Viresh (Noticee 1) has dated the complaint letters as "August 26, 2022" and "November 16, 2022" and claimed that he immediately went to the police station to file the complaint, the official date stamp or acknowledgement of the

police is unclear with respect to the year but the date can be reasonably read as 'November 20, 2023'. This shows that the police complaint was made after the Interim Order cum SCN was passed and several months after the last statement was recorded. Mr. Viresh (Noticee 1) has not explained how an acknowledgement stamp appeared on the complaint in 2023 when his claim is that the complaint was filed immediately after the statement was recorded by SEBI in 2022. The inconsistency between the date of the complaints / letters and the date of acknowledgment by police, shows that the complaint was not filed in 2022 and has possibly been engineered a year after the statement was recorded to construct a false narrative of duress. Even if it is to be assumed that the year is to be read as 2022, there is still a gap of 3 months from the recording of the Second Statement and 4 days from the recording of the Third Statement. If Mr. Viresh (Noticee 1) was actually coerced to give a statement as SEBI officers wanted, he would have approached the police / other authorities, at the earliest available opportunity.

34. If the above contradiction in dates is kept aside for a moment, I note that Mr. Viresh (Noticee 1) has claimed that he was (i) surrounded by multiple SEBI officers; (ii) made to feel intimidated; (iii) bombarded with questions; (iv) threatened with legal consequences and mistreatment; (v) pressured into providing statements as per demands of SEBI officers until 11 PM. Further, he has also claimed that he gave into the demands as he did not want to risk any future harm to him or cause any trouble to his family members. Mr. Viresh (Noticee 1)'s grievances against SEBI officers are vague and lack in material particulars. It is difficult to accept that a seasoned market professional, who has held a premier leadership position heading a mutual fund for nearly thirteen years (from 2009 to 2022 as admitted by him), could be easily intimidated by investigating officers of SEBI, which is a regulator mainly administering civil sanctions. If he was truly coerced into giving both the statements before SEBI, he would have immediately written to the SEBI Board or filed a police complaint at the earliest available opportunity. However, no evidence is available on record of Mr. Viresh (Noticee 1) taking either of the actions.
35. Infact, I note that the First Statement, which Mr. Viresh (Noticee 1) claims to be the only voluntary statement, was recorded at the time of search and seizure operation conducted by SEBI. I note that typically such operations are conducted with an element of surprise and without prior notification to the subjects to prevent physical and electronic records

from being compromised or destroyed. Therefore, it can be reasonably said that a person's vulnerability is at its highest during the initial, un-notified confrontational stage of a search and seizure operation, particularly when conducted in the presence of law enforcement personnel assisting SEBI officers. If Mr. Viresh (Noticee 1) possessed the emotional resilience to remain un-intimidated during the physical search execution, it completely defies logic to assert that he was subsequently coerced while recording the Second Statement and Third Statement before SEBI officers in a structured, professional setting, months later.

36. I note that SEBI's power to record statements on oath emanates from section 11C of the SEBI Act. In the case of DLF Ltd., vs. SEBI, decision dated January 03, 2012, Hon'ble Delhi High Court held that:

“Similarly, SEBI has also been invested with powers & responsibilities to function in a dual capacity. It functions in an inquisitorial capacity while examining the issue, whether reasonable grounds exist to believe that the transactions in securities are being dealt with in a manner detrimental to the investors or the securities market or, whether any intermediary or any person associated with the securities market has violated any of the provisions of the SEBI Act or the rules & regulations made thereunder, or directions issued by the Board. If it finds that reasonable grounds exist to believe the existence of the aforesaid state of affairs, it can direct an investigation by an investigating authority under Section 11C of the Act. Once the investigation has been ordered under Section 11C and an investigation report made, the SEBI while examining the said report and acting upon it, functions in its quasi judicial capacity.”

The SEBI officers recording statements on oath are not police officers. For the same reason, the reliance of Mr. Viresh Joshi (Noticee 1) on the cases of Kalwati (supra) and Vinod Solanki (supra) does help him. The said cases have been relied upon by him to submit that a confession made under threat is inadmissible. However, the Kalwati (supra) case concerned a murder trial and the Vinod Solanki (supra) case was quasi-criminal in nature involving alleged violation of Foreign Exchange Regulation Act, 1973. In both the cases, due to the nature of proceedings being criminal or quasi-criminal, the standard of proof was higher. The principles laid down in the above cases cannot be treated as a

universal proposition in every quasi-judicial proceeding. Therefore, admissions made before SEBI during investigation, even if subsequently retracted, do not lose their evidentiary value, unless the noticee can show material and specific grounds of duress or harm. Mr. Viresh (Noticee 1)'s inability to show that such statements were involuntarily made, renders his statements as substantial evidence.

37. The next question to address is what constitutes a valid retraction. In *Council of the Institute of Chartered Accountants of India vs. Mukesh R. Shah* AIR2004GUJ164, Hon'ble Gujarat High Court held that:

*“Apart from the aforesaid, there is one more aspect of the matter. **There is no explanation forthcoming as to why the letter dated 8-6-1993 retracting statement made in April, 1993 was not filed at any earlier point of time. Similarly, the affidavit dated 1-3-1995 also comes on record at a very belated stage. There is no explanation for the delay. A retraction, so as to dislodge the admission made, should come about at the earliest point of time. It goes without saying that a retraction made after a considerable length of time, would not have the same efficacy in law as a retraction made at the earliest point of time from the day of admission. A belated retraction would fall in the category of afterthought instead of being retraction.***

*That apart, for a retraction to be effective so as to dislodge the admission made earlier in point of time, **the retraction has to be supported by contemporaneous evidence and the onus is on the person making such admission and retraction.** In the present case, admittedly, the respondent has not been able to show even on the basis of preponderance of probabilities that the statements recorded on different dates, and more particularly recorded on 21-4-1993, were made under coercion or threat or inducement of any nature....”*

(emphasis supplied)

38. I find it relevant here to also mention the decision of Hon'ble Supreme Court in case of *Pyare Lal Bhargava vs. State of Rajasthan*, AIR1963SC1094, decision dated October 22, 1962, wherein it *inter alia* held that:

“A retracted confession may form the legal basis of a conviction if the court is satisfied that it was true and was voluntarily made. But it has been held that a court

shall not base a conviction on such a confession without corroboration. It is not a rule of law, but is only rule of prudence. It cannot even be laid down as an inflexible rule of practice or prudence that under no circumstances such a conviction can be made without corroboration, for a court may, in a particular case, be convinced of the absolute truth of a confession and prepared to act upon it without corroboration; but it may be laid down as a general rule of practice that it is unsafe to rely upon a confession, much less on a retracted confession, unless the court is satisfied that the retracted confession is true and voluntarily made and has been corroborated in material particulars.

(emphasis supplied)

39. At this point, it is important to clarify that it is not SEBI's case that the statements of Mr. Viresh (Noticee 1) form the sole basis for determining his liability. The following table juxtaposes the admissions made by Mr. Viresh in his Second Statement and Third Statement with the independent, corroborative digital, documentary, and oral evidence obtained during the investigation. Each of these evidences would be considered in totality to establish the statutory violations. The evidences are elaborated in the subsequent paragraphs of this Order.

Table 4

#	Admission in Mr. Viresh's Second Statement and Third Statement	Corroborative evidence found during investigation
1.	Admitted to owning contact number +91 851XXXX891.	(a) KYC documentation obtained for the +91 851XXXX891 mobile connection allegedly matches the KYC of +91 846XXXX962 which is admittedly used by Mr. Viresh. (b) CDR analysis allegedly reveals that the contact number +91 851XXXX891 made calls to the brother of Mr. Viresh, Mr. Sumit and Mr. Prijesh. (c) Tower ID analysis allegedly shows that physical movements of the mobile number +91 851XXXX891 (saved as "Asdfg" in the mobile of Mr. Prijesh) and the mobile number +91 986XXXX922 (disclosed as personal phone by Mr. Viresh to his employer, the Big Client), were often moving together.
2.	Admitted to disseminating the NPI through encrypted communication platforms, specifically Apple (iMessage/FaceTime) and BOTIM inter alia to employees of Mr. Sumit (Noticee 2).	Directly corroborates and aligns with the independent statement recorded of Mr. Sumit (Noticee 2).

#	Admission in Mr. Viresh's Second Statement and Third Statement	Corroborative evidence found during investigation
3.	Admitted to having nexus with employees of Mr. Sumit including Mr. Prijesh for placing front running trades.	The MAC IDs and IP addresses used to execute the alleged front running trades match with Mr. Prijesh's and his brother's device.
4.	Disclosed that Mr. Prijesh helped them in incorporating a company in Dubai named Vintage Capital Investment LLC, with his father and brother as the majority shareholders.	Chats found between Mr. Viresh / "Asdfg" and Mr. Prijesh which discusses the shareholding pattern of the said company (<i>The subsequent paragraphs of this Order elaborate on how "Asdfg" was infact Mr. Viresh</i>).
5.	Detailed the strategy used in the alleged front running i.e, tipping Mr. Sumit of the trades he was going to place on behalf of the Big Client then place trades for the Big Client and instruct Mr. Prijesh to square off their positions.	The disclosed pattern mirrors and reconciles with the trading logs of the front runners.
6.	Identified specific mule account owners whose accounts were utilized for the front running trades.	Trading log confirms that the exact mule account owners identified by Mr. Viresh were deployed to executed the alleged front running trades.
7.	Stated that the illicit profits generated from the alleged front running operations were transferred to him through cash in a layered manner.	Directly corroborated by the independent deposition of Mr. Sumit (Noticee 2).

40. The Second Statement and the Third Statement are consistent with each other and corroborate the independent evidence available on record. The above circumstances along with the delayed retraction and absence of particulars of coercion, has led me to conclude that the claim of 'retraction' or 'withdrawal' of the Second Statement and Third Statement given by Mr. Viresh to SEBI is not genuine. Further, his statements appear valid to me and are relevant evidence for adjudicating the allegations made in the Interim Order cum SCN.

C.1.5 Whether the submissions of the Big Client's personnel regarding the working conditions of Mr. Viresh Joshi can be relied upon?

41. Mr. Viresh (Noticee 1)'s argument that relevant personnel of the Big Client have not been cross-examined to test the veracity of their statement regarding the working environment of Mr. Viresh (Noticee 1), lacks merit. No such statement was recorded by SEBI.

C.1.6 Whether the absence of cross-examination by Mr. Viresh Joshi renders the statements of co-Noticees inadmissible in the present quasi-judicial proceedings?

42. Mr. Viresh (Noticee 1) has submitted that in absence of cross-examination, the untested statements of Mr. Sumit (Noticee 2), cannot be relied upon. From the material available on record, I find that before the earlier QJA / WTM, Mr. Viresh (Noticee 1) was given the opportunity to cross-examine Mr. Sumit (Noticee 2), Mr. Pranav (Noticee 3) and Mr. Bhavin (Noticee 15) in 2024. However, the aforesaid Noticee witnesses declined to appear. Infact, Mr. Sumit (Noticee 2) vide email dated May 20, 2024, stated that he has nothing further to submit apart from the statements recorded before SEBI. Mr. Pranav (Noticee 3) vide email dated May 21, 2024 also reaffirmed his statement recorded before SEBI. Mr. Bhavin (Noticee 15) vide email dated May 21, 2024 stated that since he has already given a detailed reply, he has nothing further to add. Thereafter, when an appeal was filed on behalf of Mr. Viresh (Noticee 1) before Hon'ble SAT requesting for time to file submissions before SEBI, Hon'ble SAT's vide its order dated April 28, 2026, explicitly allowed Mr. Viresh (Noticee 1) to seek opportunity to cross-examine but within 7 days. I note that no such request for cross-examination was placed by Mr. Viresh (Noticee 1) before me within the timeline directed by Hon'ble SAT or thereafter. However, in his written submissions, Mr. Viresh (Noticee 1) has vehemently argued that statements of Noticees 2, 3 and 15 cannot be relied upon as Mr. Viresh (Noticee 1) was deprived of the opportunity to test its veracity. If it is the case of Mr. Viresh (Noticee 1) that cross-examination is essential to test statements, he ought to have filed a fresh application for providing cross-examination before me, especially when Hon'ble SAT had allowed him to request the same within a timeline. The fact that Noticees 2,3 and 15 (Mr. Sumit, Mr. Pranav and Mr. Bhavin, respectively) declined to appear in 2024, cannot be a ground for not requesting cross-examination before me. A witness who could not appear earlier may be willing to appear later. Therefore, those statements do not lose their evidentiary value merely because Mr. Viresh did not seek their cross-examination.
43. Without prejudice to the above, in Vallabh Textiles vs. Additional Commissioner Central Tax GST, Delhi East and Ors., W.P (C) 4576 / 2025, judgment dated April 09, 2025, Hon'ble Delhi High Court has held that:

“15. While cross-examination can be granted in certain proceedings, if it is deemed appropriate, the right to cross-examine cannot be an unfettered right...”

44. In *Kishanlal Agarwalla vs. Collector of Land Customs* (AIR1967Cal80) Hon'ble Calcutta High Court has held that:

“There is a good deal of misconception on this question of the right of cross-examination as part of natural justice. Natural justice is fast becoming the most unnatural and artificial justice and for that confusion the Courts are no less responsible than the litigants. Ordinarily the principle of natural justice is that no man shall be a judge in his own cause and that no man should be condemned unheard. This latter doctrine is known as audi alteram partem. It is on this principle that natural justice ensures that both sides should be heard fairly and reasonably. A part of this principle is that if any reliance is placed on evidence or record against a person then that evidence or record must be placed before him for his information, comment and criticism. That is all that is meant by the doctrine of audi alteram partem, that no party should be condemned unheard. No natural justice requires that there should be a kind of a formal cross-examination. Formal cross-examination is procedural justice. It is governed by rules of evidence. It is the creation of Courts and not a part of natural justice but of legal and statutory justice. Natural justice certainly includes that any statement of a person before it is accepted against somebody else, that somebody else should have an opportunity of meeting it whether it (sic), by way of interrogation or by way of comment does not matter. So long as the party charged has a fair and reasonable opportunity to see, comment and criticize the evidence, statement or record on which the charge is being made against him the demands and the test of natural justice are satisfied. Cross-examination in that sense is not the technical cross-examination in a Court of law in the witness-box.

(emphasis supplied)

45. The case of *Andaman Timber Industries* (supra) relied upon by Mr. Viresh (Noticee 1), does not aid his defence. In the above case, Hon'ble SC had held that *“we are of the opinion that if the testimony of these two witnesses is discredited, there was no material with the Department on the basis of which it could justify its action, as the statement of the aforesaid two witnesses was the only basis of issuing the show cause notice.”*

However, as discussed in detail in this Order, the statements of Noticees 2, 3 and 15 do not form the sole basis for alleging Mr. Viresh Joshi (Noticee 1) of front running. There are statements given by Mr. Viresh available on record on two separate occasion which corroborates the statements of Noticees 2, 3 and 15. There is also independent evidence available on record in the form of connection between Noticees, CDR analysis, Tower ID analysis, WhatsApp chats, order logs and trade logs, which if established, would be sufficient to sustain the charge of front running in a quasi-judicial proceeding.

46. The case of Bharat Jayantilal Patel (supra) raised by Mr. Viresh (Noticee 1) is also not applicable in the facts of this case. In the said case, the enquiry officer therein had rejected the request of cross-examination made by the noticee. However, in the present case before me, Mr. Viresh Joshi (Noticee 1) did not even make a request for cross-examination. The case of T. Ravi (supra) arises out of departmental disciplinary proceedings initiated along with a criminal corruption prosecution accusing the petitioner of bribery. In the case, as cross-examination of the complainant was not granted by the disciplinary authority, it was held by Hon'ble Orissa High Court that right of cross-examination is one of the principles of natural justice and that evidence may not be read against a party if the same has not been subjected to cross-examination or atleast an opportunity has not been given. T.Ravi's case (supra) is distinguishable because it concerns facts where the complaint / complainant's version was central to the allegation therein, whereas the present case has independent documentary evidence which establishes the charge against Mr. Viresh Joshi (Noticee 1). In the case of G. Balaji (supra) cited by Mr. Viresh (Noticee 1) where the plaintiff did not present itself for cross-examination, the matter was a civil trial governed by the Civil Procedure Code, 1908 and the Evidence Act, 1872. Strict rules of civil procedure and evidence do not apply in the current quasi-judicial proceedings as laid down by the Hon'ble Supreme Court in the matter of Tata Consultancy Services Limited vs. Cyrus Investments Pvt. Ltd. dated March 26, 2021 Similarly, the case of Ripen Kumar (supra), where the prosecution's witness was not produced for cross-examination, does not apply as it is rooted in criminal procedure and trial evidence.

47. The statements made by the other noticees are inculpatory in nature, not only qua themselves but also qua the other Noticees (other than Mr. Viresh). In such circumstances, the plea that these statements ought to be disregarded appears to be a calculated attempt to dilute the evidentiary value of the allegations levelled against the other Noticees and, consequently, to undermine the proceedings in their entirety.

C.1.7 Whether WhatsApp chats can be treated as oral statements and whether cross-examination is required before they can be relied upon?

48. Mr. Viresh (Noticee 1) has also argued that WhatsApp conversations are akin to statements, and without cross-examination, cannot be relied upon. Similarly, the Kurani Group (Noticees 5 to 10) have also contested the correctness of the WhatsApp screenshots. In this regard, I note that most of the screenshots reproduced in this Order are from the mobile device of Mr. Prijesh (Noticee 5). A search and seizure was conducted at the residential address of Mr. Prijesh (Noticee 5) and Ms. Dharini (Noticee 6 and spouse of Noticee 5) and their devices were seized. It is noted from the Investigation Report (and it is not disputed by any Noticee), that the backup of relevant digital devices was taken in the presence of the owners of the devices. I note that a 65B certificate under the Indian Evidence Act, 1872 is available on record with respect to the digital devices of Noticees 5 and 6. In the said 65B certificate (which was also provided as part of the annexures to the Investigation Report), Noticees 5 and 6 have stated that the devices used by them were functioning normally and were used for meeting various business interests. The certificate also clearly records that the forensic expert certifies that the *“data imaged is true and identical copy of the data which was regularly fed in the evidences”*. The certificate bears the signature of both Noticee 6 and the forensic expert. From the above, I note that the WhatsApp chats reproduced from the device of Noticee 5 are not unverified screenshots and are accompanied by a forensic expert certificate regarding the authenticity of the data copied. Thus, the technical integrity of the digital device is satisfactorily established.
49. It is not the case that the entire WhatsApp chats have not been made available to Mr. Viresh (Noticee 1). In the minutes of inspection dated February 03, 2026 conducted by

ARs of Mr. Viresh (Noticee 1), it has been recorded that the chat between Mr. Prijesh (Noticee 5) and +91 851XXXX891 (saved as “Asdfg”) was provided to the AR of Mr. Viresh (Noticee 1). Similarly, in the minutes of inspection dated March 18, 2026, it is recorded that the WhatsApp chats of Noticees 5 and 6 have been provided to the AR of the Kurani Group (Noticees 5,6,8 and 10). Once the entire conversation thread is on record, Mr. Viresh Joshi (Noticee 1) and the Kurani Group (Noticees 5,6,7,8 and 10) had full opportunity to verify the surrounding messages, timestamps, participants and the continuity of exchange, and point out any exculpatory portion.

50. Mr. Viresh (Noticee 1) has relied upon the case of Ambalal Sarabhai Enterprise (supra) to contend that the evidentiary value of the WhatsApp chats can only be ascertained in the course of their trial by the Court in the process of examination and cross-examination. I note that the aforesaid case is not applicable here, since the WhatsApp messages there were relied upon to prove the contractual understanding between the parties. In the present case so far as Mr. Viresh is concerned, the WhatsApp conversations are not relied upon to establish any contractual relationship. Rather, they have been primarily referred to for identifying of “Asdfg” / “Jadugar” / Mr. Viresh (Noticee 1) and for examining the surrounding circumstances relating to the formation of Vintage Capital Investment LLC. I further find that, apart from the WhatsApp chats, there is independent corroborative material available on record, discussed in the subsequent paragraphs, including KYC details, CDR analysis, Tower ID analysis, and the incorporation documents of Vintage Capital Investment LLC, which not only show that “Asdfg” / “Jadugar” is Mr. Viresh, but also establish the link between him and the said company. I also note that the Mr. Viresh (Noticee 1) has not specifically requested to cross-examine Mr. Prijesh (Noticee 5) within the timeline stipulated by Hon’ble SAT or thereafter. In any case, as elaborated above there is no requirement of cross-examination for the WhatsApp messages to be relied upon for the purpose of this Order.

C.2 ISSUES ON MERITS

51. The primary issue that is required to be addressed in the present matter is whether the Noticees have ‘front run’ the impending orders of the Big Client. To arrive at the question for front running, the following questions / issues need to be answered:

- I. **Whether the impugned trades are indicative of front running?**
- II. **Who was placing the front running trades?**
- III. **Whether Mr. Viresh Joshi had access to the non-public information of the Big Client and was he involved in the front running scheme?**
- IV. **Whether the non-public information of the Big Client was communicated to Mr. Prijesh Kurani / other front runners?**
- V. **Whether the conduct of the Noticees has resulted in violation of provisions of SEBI Act and PFUTP Regulations? What is the liability of the mule account owners?**
- VI. **What is the illegal gain to be disgorged, if any, and what other remedial directions are to be issued with respect to the Noticees?**

C.2.1 Whether the impugned trades are indicative of front running?

52. At the outset, I note that Mr. Prijesh (Noticee 5) in his reply before me has admitted that the trades in accounts of the Kurani Group (Noticees 6 to 9), Mr. Nishil (Noticee 11), Olga Trading Pvt. Ltd. (Noticee 12), Mr. Bhavin (Noticee 15), Ms. Rupal (Noticee 16), and Visa Capital Partners (Noticee 17) were placed by him. However, he denies that the impugned trades were executed on the basis of NPI received from Mr. Viresh (Noticee 1). It is therefore necessary to examine the trade-execution pattern to assess whether such trades could reasonably have been undertaken without access to NPI, or whether they are indicative of front-running.
53. The most common patterns of front running; are the BBS and SSB patterns as discussed hereinafter:
 - a. Buy-Buy-Sell ("**BBS**") i.e. buy by the front runner, buy by the Big Client and sell by the front runner. In this pattern, the front runner, by using the non-public information regarding a substantial impending buy order of the Big Client, places his buy order before the last tranche of the Big Client's buy order. As and when the buy order of the Big Client gets executed, the price of the security rises and the front runner sells the

securities bought earlier, at the raised price, thereby pocketing the difference between the new raised price of the security which is established during / post Big Client's buy trades and the price at which he had bought his securities.

- b. Sell-Sell-Buy ("**SSB**") i.e. sell by the front runner, sell by the Big Client, buy by the front runner. In this pattern, the 'front runner' by using the non-public information regarding a substantial impending sell order of the Big Client, places his sell orders before the last tranche of the Big Client's sell order. As and when the sell order of the Big Client gets executed, the price of the security falls which gives an opportunity to the front runner to buy back the securities at a lower price to meet his obligations which he had created earlier by selling securities and pockets the difference.

- 54. It is important to clarify that the second leg of the front runner's order which encashes the "advantage" of the first leg, need not necessarily be placed after the Big Client order, since the Stock Exchanges permit "limit orders". "Limit or "contingent orders" like "sell if the price is more than INR X" or "buy if the price is lower than INR Y". Such limit orders can be placed in advance / "waiting" for the Big Client order to come and affect the price of the scrip.
- 55. The Interim Order cum SCN states that the trades executed from the account of Noticees which have earned a positive square off of atleast INR 1 or more and have exhibited a front running pattern have been considered as a front running trade. I note that as per the material available on record, in the Equity Segment, 828 trades were executed. Further, in the Equity Derivative Segment, 255 trades were executed. The details with respect to each alleged front runner is tabulated below:

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Table 5

	Equity Segment				Derivative Segment			
Registered owners of trading accounts	Calendar days traded	No of instance(s)	Gross traded value (INR in lakh)	Avg. gross value traded per instance (INR in lakh)	Calendar days traded	No of Instance(s)	Gross Traded Value (INR in lakh)	Avg. gross value traded per instance (INR in lakh)
(A)	(B)	(C)	(D)	(E) = D/C	(F)	(G)	(H)	(I) = H/G
Nishil Surendra Marfatia	1	1	145.17	145.17	31	48	89041.10	1855.02
Olga Trading Pvt. Ltd.	32	74	78548.79	1061.47	-	-	-	-
Bhavin Shah	13	45	65804.79	1462.33	-	-	-	-
Rupal Bhavin Shah	14	58	61256.34	1056.14	-	-	-	-
Visa Capital Partners	58	208	255830.06	1229.95	22	48	83261.90	1734.62
Dharini Kurani	64	235	54348.30	231.27	43	77	36510.73	474.17
Rekha Arun Kurani	24	90	30798.59	342.21	-	-	-	-
Bharti Navnit Godaya	38	116	35220.04	303.62	2	2	1420.86	710.43
MKB Bespoke Audio General	1	1	362.06	362.06	39	80	66500.60	831.26

(A) Matching of trades with the Big Client

56. Mr. Nishil Marfatia (Noticee 11) has contended that out of the 48 instances of alleged front running trades observed in his account in the derivative segment, 16 instances amounting to INR 14,51,288 did not match with the Big Client. Hence, they cannot be considered as front running activities. In this regard, I note that matching of Noticee's trades with the trades of Big Client, is not a necessary requirement to establish a charge of front running. The first leg of the order placed by the front runner, prior to the order of the Big Client qualifies as front running while the second leg of the order, is the leg where the FR enches the advantage that has accrued to him by front running the order(s) of the Big Client(s).

(B) Trades squared off before the Big Client's first order and / or last order of the Big Client

57. Mr. Nishil (Noticee 11) has submitted that in 4 instances (3 BBS and 1 SSB) amounting to approximately INR 30.97 lakh, Noticee 11's buy and sell cycle was finished before the Big Client's first order i.e, prior to the Big Client's buy order start time. Further, in 19 instances, Noticee 11 sold its entire position while the Big Client was still buying (i.e, before the Big Client's buy order end time). Hence, according to him, the above trades cannot be considered as BBS or SSB. Further, Mr. Nishil (Noticee 11) has argued that in 19 BBS instances, Noticee 11's sell order end time was prior to Big Client's buy order end time. In 3 SSB instances, Noticee 11's buy order end time was prior to Big Client's sell order end time. If the above 22 trades were front running trades, the alleged front runner would have waited for the Big Client to finish placing his order, to take advantage of the change in price and then square off. Similarly, in 10 BBS instances, and 4 SSB instances, the second leg of Noticee 11 was placed before the Big Client's buy order / sell order end time. Hence, the second leg should not be considered as front running. Further, in 38 instances of BBS pattern and 10 instances of SSB pattern, in majority of cases there is a substantial time difference between the sell order start time / buy order start time of front runner and the buy order start time / sell order start time of the Big Client. If one would have been privy to the trades of the Big Client, he / she would have simultaneously punched in sell / buy order as soon as Big Client started placing the buy / sell order.
58. In this regard, as stated earlier, I note that what matters is that the first leg of the order of the alleged front runner is placed before the last tranche of the Big Client's order to be considered as a front running transaction. The second leg of the transaction is not a front running leg, rather it is the leg where the front runner encashes the advantage accrued to him from the first leg i.e., by placing the order prior to the order of the Big Client. What matters is that the order of the first leg was placed while the front runner was in possession of the NPI of the impending order of the Big Client. Additionally, the second leg of the front runner's orders which encashes the "advantage" of the first leg, need not necessarily be placed after the Big Client's order since the Exchanges permit "limit orders" / "contingent orders", which may be placed in advance and remain pending until the price reaches a specified level. Such limit orders allow the front runner to exit once the Big

Client's impacts price. It may also happen that the front runner squares off his position prior to the Big Client's execution, if market conditions present an earlier exit opportunity

59. From the above, I note that the Noticee's early exit or substantial time difference defense does not acknowledge that the unfair advantage was already exercised at the time of entry into the market. By entering ahead of the initial tranches of the Big Client's order, Mr. Nishil (Noticee 11) seized the guaranteed price difference generated by the Big Client's demand. The above does not lead me to conclude that the link between the non-public information about the impending transactions of the Big Client's order and the execution of trades by Mr. Nishil before the last tranche of the Big Client's order was broken.

(C) *Higher pre-investigation trading activity than during investigation*

60. Mr. Nishil Marfatia (Noticee 11) has submitted that his trading activity (gross traded value & intra-day) was higher during the pre-investigation period than during the Investigation Period and that his trading activity is completely different from the other persons / entities mentioned in Table 10 of the Interim Order cum SCN. Without going into the relevance of the aforesaid claim in the context of his trades, I find that even if his pre-investigation trades were more, he must still explain (which he has not been able to), trade by trade, why he pre-positioned himself before the Big Client's trades and squared off during the Big Client's execution window. Comparison with the pre-investigation period is one of the factors looked into to determine the trading pattern of the Noticees, but by itself, it is not sufficient exculpatory evidence. The Noticees can undertake lesser trades during the investigation period to minimize traceable activity.

(D) *Low volume of front running trades relative to overall trading activity*

61. Olga Trading Pvt. Ltd. and its directors (Noticees 12 to 14) have submitted that as per Table 11 of the Interim Order cum SCN, the total number of trades executed in the account of Noticee 12 is 5770 trades across 145 calendar days. However, the present proceedings pertain to only 74 alleged instances spread across 32 calendar days.

According to them, this constitutes a minuscule fraction of the overall trading activity and at best can be coincidental.

62. In this regard, as an example, one trade classified as a BBS front running trade is discussed below:

Table 6

			Noticee 15 Buy Order (B)		Big Client Buy Order (B)		Noticee 15 Sell Order (S)	
Exchange	Date	Symbol	NSE Buy order start time	NSE Buy order end time	Buy order start time	Buy order end time	NSE Sell order start time	NSE Sell order end time
NSE	28/10/2021	SONACOMS	9:15:02 AM	9:32:14 AM	9:17:16 AM	9:38:28 AM	9:17:35 AM	9:37:13 AM

63. From the above, I note that on October 28, 2021, Olga Trading Pvt. Ltd. (Noticee 12) starts placing **buy** orders of shares of Sona Blw Precision Forgings Ltd. in the equity segment at 9:15:92 AM and is able to buy total 4,78,108 shares. Within 2 minutes and 14 seconds, the Big Client starts placing **buy** orders at 9:17:16 AM for 12,86,493 shares of the same company. Once the Big Clients first few orders are placed, immediately within 19 seconds, Noticee 12 starts placing **sell** orders and manages to sell 3,99,351 shares to the Big Client. Noticee 12 places its last sell order at 9:37:13 AM, exactly 1 minute 15 seconds before the last buy order of the Big Client at 9:38:28 AM. Thus, the Noticee 12's sell window from 9:17:35 AM to 9:37:13 AM remained within the Big Client's buy window from 9:17:16 AM to 9:38:28 AM. Noticee 12's 83.53% shares in this particular scrip was sold to the Big Client (3,99,351/4,78,108). The profit from the above transaction was INR 98,92,031. I note that in total there were 50 BBS instances of Noticee 12, wherein 33 of them (i.e, close to 66%) exhibited sell match in excess of 50%.
64. All these circumstances combined, i.e, pre-positioning ahead of the Big Client, beginning to sell shares almost immediately after the Big Client's buy commencement, overlap of Olga Trading Pvt. Ltd. / Noticee 12's sell window within the Big Client's buy window, and a high sell quantity match percentage, construct an image of a planned front running rather than mere coincidence. The recurrence of the same combination across multiple instances cannot be reasonably dismissed as typical coincidence. Further, I also note that Noticee 12 has not placed before me an order-placement rationale which would

substantiate his defense. Therefore, I do not find merit in the contention of Noticee 12 that the front running trades were merely coincidental.

(E) Lack of proof regarding the substantial nature of Big Client's orders

65. Mr. Bhavin Shah and Ms. Rupal Shah (Noticees 15 and 16) have contended that “substantial impending transactions” have not been proved in the present matter. To establish front running as per regulation 4(2)(q) of the PFUTP Regulations, there needs to be information about “substantial impending transaction” of the Big Client which is not publicly available. As per them, SEBI has not defined what is “substantial” in any of its acts, rules or regulations.

66. In this regard, I note that the determination of a 'substantial impending order' is not subject to a rigid formula, and the phrase by its very nature is context specific. In the present matter, the Big Client's orders were large and placed in a short time window compared to normal trading volume, showing that the orders were big enough to affect liquidity and price and could be exploited by front-runners. Further, as per the data available in the Abridged Annual Report of Axis Mutual Fund for FY 2021-2022⁴, for the year ended on March 31, 2022, it was holding an average Assets Under Management (AUM) of INR2,48,018.81 crores . Given the scale of assets managed, the Big Client would necessarily place buy and sell orders of significant size while implementing portfolio decisions. Such orders, by their very nature, are capable of impacting liquidity and price discovery in the relevant securities, and therefore constitute transactions of a magnitude that would likely influence the market price at the time of execution. Therefore, the contention of Noticees 15 and 16 that “substantial impending order” has not been established, is untenable.

(F) Later trades do not impact the stock price

67. Mr. Bhavin Shah and Ms. Rupal Shah (Noticees 15 and 16) have argued that when a Big Client places a massive order in multiple tranches, the actual stock price changes during

⁴ https://transact.axismf.com/cms/sites/default/files/Statutory/Abrided%20Financials%202021-22%20-%20Equity.pdf?utm_source=openai

the very first few tranches. By the time the final tranches of the Big Client's orders are placed, the price has already moved and the market has adjusted. Therefore, the Noticees argue that their trades, placed ahead of the last tranches of the Big Client, could not have caused any fresh price impact and should not be counted as front running. According to the Noticees, front running can only happen at the beginning of the chain. They have also argued in certain alleged BBS / SSB instances, their first-leg trades were placed only after the Big Client had already commenced placing its order, and therefore such trades, having been entered after the market impact had already set in, cannot be characterised as front-running.

68. In this regard, I find it relevant to refer to regulation 4(2)(q) of PFUTP Regulations, which refers to “*substantial impending transaction in that securities.*”. The phrase used is “*impending*” transaction. An order of Big Client remains impending until its entire demand is exhausted. Big Clients often place their orders above the minimum lot size (particularly for large orders) in smaller tranches. Therefore, the alleged front runner can gain from placing his / her order(s) at any time before the last or substantial tranche of the Big Client's order i.e, all the tranches of the order of the first leg placed by the alleged front runner that have been placed on or before the last tranche of the order placed by the Big Client, would qualify as front running transactions, because the market is not aware of the full residual demand, whereas the front runner is. For instance: If a front runner knows that a mutual fund intends to buy shares worth INR 10 lakh, and INR 1 lakh shares have been bought in the first tranche, it cannot be assumed that the market has absorbed the impact of the entire intended order. The remaining INR 9 lakh of demand still constitutes non-public information that may continue to influence price and liquidity when further tranches are placed. While an ordinary market participant would only observe the tranche already executed, the front runner knows that substantial residual demand is yet to enter the market and can use that knowledge to place trades and obtain an unfair advantage. Therefore, the submission that only trades placed before the first tranche of the Big Client's order can constitute front running is without merit.

(G) No BBS / SSB pattern observed in certain front running trades

69. Mr. Bhavin Shah and Ms. Rupal Shah (Noticees 15 and 16) have contended that in the case of Noticee 15, out of 44 alleged front running trades, 29 of such trades do not meet criteria of front running definition as there is no BBS / SSB pattern observed and total unlawful gain alleged through these transactions is INR 1,72,03,356.05. I have examined the orders referred by the Noticees. Out of the 29 trades, 22 trades are alleged to be in BBS pattern. However, according to Noticees 15 and 16, their orders were placed after the Big Client started placing orders. Therefore, according to them, such orders cannot be classified as front running transactions as the Big Client's orders would have started impacting the price.
70. In this regard, on perusal of the 22 BBS trades, I note that in all of them, Noticee 15 had placed the buy order before the last tranche of the Big Client's order. An example is discussed below:

Table 7

			Noticee 15 Buy Order (B)		Big Client Buy Order (B)		Noticee 15 Sell Order (S)	
Exchange	Date	Symbol	NSE Buy order start time	NSE Buy order end time	Buy order start time	Buy order end time	NSE Sell order start time	NSE Sell order end time
NSE	22/11/2021	BSOFT	12:56:36 PM	14:35:28 PM	12:55:28 PM	14:46:01 PM	13:10:48 PM	14:36:08 PM

71. In the aforesaid example, on November 22, 2021, the Big Client placed a **buy** order of shares of Birlasoft Ltd. in the equity segment at 12:55:28 PM (total 4,00,000 shares). Immediately, Noticee 15 placed **buy** orders between 12:56:36 PM and 14:35:28 PM for 40,000 shares. Subsequently, the previous buy position was reversed, and a **sell** order was placed between 13:10:48 PM and 14:36:08 PM by Noticee 15 for 40,000 shares. The Big Client placed its last buy order in the scrip at 14:46:01 PM. Due to the above, the Big Client bought 35,011 shares from Noticee 15 which amounted to 87.53% of the shares sold by Noticee 15 (40,000 shares were bought and sold). The profit from the above transaction was INR 1,71,293.9. Big Clients orders are often placed in smaller tranches. From the above, it is clear that although Noticee 15 started placing buy orders after the Big Client's buy orders, all of its orders were placed before the last tranche of the order of Big Client and he benefited from the knowledge of the total volume to be executed by the Big Client. Noticee 15 positioned itself to buy the shares 90 seconds before the Big Client's buy orders to benefit from the predictable upward price movement caused by the

Big Client's buying. The trading pattern observed, when combined with Mr. Viresh's / Noticee 1's admitted sharing of information and Mr. Prijesh's / Noticee 5's admission that he was executing trades in the accounts of Mr. Bhavin Shah and Ms. Rupal Shah (Noticees 15 and 16) (elaborated further in the subsequent paragraphs), establishes that these trades were front running transactions. The above findings also apply to the other 21 instances claimed by Noticee 15 to not follow the BBS pattern. Thus, this argument is not accepted.

72. Similarly, Ms. Rupal Shah (Noticee 16) has claimed that in 38 out of 56 alleged front running trades, BBS / SSB pattern has not been followed and total unlawful gain alleged through these transactions is INR 27,97,211.8. In this regard, I note that 58 alleged front running trades have been observed in the account of Ms. Rupal Shah. The argument of Ms. Rupal Shah remains the same as Mr. Bhavin's that since Ms. Rupal started placing orders after the Big Client's orders, the market price was already impacted, and thus, such trades do not constitute front running. For the reasons already elaborated earlier in the context of Mr. Bhavin's / Noticee 15's submission, I do not find merit in Ms. Rupal's / Noticee 16's submission.
73. In the same vein, Mr. Bhavin Shah (Noticee 15) has contended that in 7 instances claimed to be SSB instances by SEBI, Noticee 15 started placing orders when the Big Client had already executed orders. Hence, according to Noticee 15, the Big Client's order had already started impacting the price of the scrip when Noticee 15 started placing orders. In this regard, as stated above, I note that it is not necessary to establish the actual impact on the price of the scrip. Further, it is also not a requirement that a front running transaction will only exhibit BBS / SSB pattern and no other pattern. Despite the above, I have analyzed one such SSB trade as claimed otherwise by Noticee 15:

Table 8

Exchange	Date	Symbol	Noticee 15 Sell Order (S)		Big Client Sell Order (S)		Noticee 15 Buy Order (B)	
			NSE sell order start time	NSE sell order end time	Big Client sell order start time	Big Client sell order end time	NSE buy order start time	NSE buy order end time
NSE	26/11/2021	TATACONSUM	10:12:32 AM	14:02:04 PM	10:00:59 AM	14:21:09 PM	10:24:16 AM	14:03:37 PM

74. In the aforesaid example, on November 26, 2021, the Big Client placed a **sell** order of shares of Tata Consumer Products Ltd. in the equity segment at 10:00:59 AM (total 7,22,244 shares). Noticee 15 placed **sell** orders between 10:12:32 AM to 14:02:04 PM for 1,13,000 shares. Subsequently, the previous sell position was reversed, and a **buy** order was placed between 10:24:16 AM and 14:03:37 PM by Noticee 15 for 1,13,000 shares. The Big Client placed its last sell order in the scrip at 14:21:09 PM. Due to the above, Noticee 15 bought 1,00,232 shares from the Big Client which amounted to 88.7% of the shares sold by the Notice 15 (1,13,000). The profit from the above transaction was INR 4,55,423.95. From the above, it is clear that although Noticee 15 started placing sell orders after the Big Client's sell orders, all of its orders were placed before the last tranche of the order of Big Client. The trading pattern observed, when combined with Mr. Viresh's / Noticee 1's admitted sharing of information and Mr. Prijesh's / Noticee 5's admission that he was executing trades in the accounts of Mr. Bhavin Shah and Ms. Rupal Shah (Noticees 15 and 16) (elaborated further in the subsequent paragraphs), in my view, establishes that these trades were front running transactions. The above findings also apply to the other 6 instances which according to Noticee 15 do not follow the SSB pattern.
75. In view of the above paragraphs, I find that the defenses put forth by the Noticees are without merit. I, therefore find, on preponderance of probabilities, the pattern explained above is indicative of front running.

C.2.2 Whether Mr. Prijesh Kurani was placing the front running trades using multiple trading accounts?

76. The SCN alleges that all the FR trades were placed by one of the noticees- Mr. Prijesh Kurani (Noticee 5).
77. The SCN also alleges that Marfatia Stock Broking Pvt. Ltd. and Woodstock Broking Pvt. Ltd. facilitated the placement of trades from Dubai (*where Prijesh Kurani was residing*) by installing the trading terminal software (ODIN) on the PC / Laptop of Prijesh Kurani who was neither the Authorized Person nor a dealer of the respective trading members. The evidence for this allegation, *inter alia*, is as follows:

- (i) Admissions by Mr. Prijesh Kurani and Mr. Nishil Marfatia, director of Marfatia Stock Broking Pvt. Ltd.;
- (ii) Statements of Mr. Suresh Jajoo, director of Woodstock Broking Pvt. Ltd. and Mr. Kunal Dalal – IT Head of Woodstock Broking Pvt. Ltd.;
- (iii) MAC IDs and IP addresses based in Dubai; and
- (iv) WhatsApp chats regarding sharing of trading terminal access, IT support provided and related communications.

(A) Admissions by Mr. Prijesh Kurani and Mr. Nishil Marfatia, director of Marfatia Stock Broking Pvt. Ltd.

78. It is alleged in the Interim Order cum SCN and not refuted by the Noticees that Ms. Dharini (Noticee 6), Ms. Rekha (Noticee 7) and Ms. Bharti (Noticee 8) are spouse, mother and mother-in-law respectively of Mr. Prijesh (Noticee 5). Further, M K B Bespoke Audio General (Noticee 9) is a company incorporated in Dubai whose director Mr. Bindesh (Noticee 10) is the brother of Mr. Prijesh (Noticee 5). The above shows that Noticees 6 to 8 and 10 are family members of Mr. Prijesh (Noticee 5), and Noticee 9 is linked to Mr. Prijesh (Noticee 5) through his brother Mr. Bindesh (Noticee 10). This establishes that these noticees are part of a close connected cluster.

79. Mr. Prijesh Kurani (Noticee 5) has admitted in his reply that he had placed orders in the accounts of Noticees 6 to 9 (family members and company related to his brother), 11,12, 15, 16, and 17 i.e, he controlled all the 9 demat accounts in which front running was observed. But, he has contended that he is not connected with Mr. Viresh Joshi and the trades were undertaken independently based on his own knowledge, basic and technical research. I find that a bald claim that trades were based on the knowledge of Mr. Prijesh cannot replace the objective and circumstantial evidence discussed above. Mr. Prijesh has not produced before me any order-placement rationale which would substantiate his defense. The trading pattern shows that in the present case there was repeated and precise order placement in anticipation of Big Client's orders and reversal thereafter. The above is characteristic of trading on basis of NPI of substantial impending orders of the Big Client, and cannot be explained by merely asserting independent research.

80. Mr. Nishil (Noticee 11) who is the director of MSBPL, in his statement dated May 16, 2022 (answer to Q.3), has admitted that he had given access of the trading terminal of MSBPL and control of his account to Mr. Pranav (Noticee 3) for which he was receiving brokerage of INR 200 per crore. However, in response to Q.10, he has stated that he does not know with whom Mr. Pranav had further shared his login credentials with.

(B) Statements of Mr. Suresh Jajoo, director of Woodstock Broking Pvt. Ltd. and Mr. Kunal Dalal – IT Head of Woodstock Broking Pvt. Ltd. (WBPL)

81. I note that in the deposition of Mr. Suresh (Noticee 18) dated May 16, 2022, who is the director of WBPL, that he had given instructions to Mr. Kunal (IT head of WBPL) to give trading terminal access to Mr. Darshan Desai (brother of Mr. Sumit). Mr. Kunal in his statement dated May 16, 2022, has stated that Mr. Vaibhav (Noticee 4) had provided access through the AnyDesk software to facilitate the installation of the ODIN software on Mr. Brijesh's system. In this regard, it is important to clarify that Mr. Kunal has inadvertently referred to Mr. Prijesh (Noticee 5) as Mr. Brijesh in his statement as Mr. Prijesh had admittedly placed orders in the accounts of all the front runners. Therefore, Mr. Brijesh can be none other than Mr. Prijesh. Further, it is also important to clarify the functioning of the software referred above, namely, AnyDesk and ODIN.

- a. AnyDesk software allows remote access and control that enables one computer or phone to connect and operate another device over the internet. When access is granted through AnyDesk, it allows the recipient to view and use the device of the sender as if the recipient is physically present before such device.
- b. Open Dealer Integrated Network (ODIN) software, as also explained in paragraph 4.3 above, is a trading software provided by the brokers for placing orders in the accounts of its clients. If a user has login credentials of ODIN, a separate login ID and password is not needed to access the trading account of a client.

Mr. Kunal has further stated on record that he knew that the ODIN terminal is installed on the system of Mr. Brijesh (referring to Mr. Prijesh) and that he is residing in Dubai. When Mr. Kunal was asked “*When and how did you come to know that such Anydesk ID was of Mr. Brijesh*”. He replied, “*When ODIN terminal was not working properly, we came in contact with Mr. Brijesh through Vaibhav Pandya around January 2022.*”

82. From the above, I note that a well-thought-out mechanism had been put in place, whereby access through AnyDesk and trading terminals was provided by WBPL (the broker of Visa Capital Partners) so that client credentials/details would not have to be repeatedly sought for the purpose of placing trades. Moreover, IT support from the broker was also available in the event of any technical issues.

(C) MAC IDs and IP addresses based in Dubai

83. I also note that IP addresses and MAC IDs of trading terminal softwares from which alleged front running trades took place are available on record. In this regard, I note the following:

- (a) The **MAC ID** for trades placed in the trading account of Ms. Dharini (Noticee 6) (part of the Kurani Group), Marfatia Group (Noticees 11, 12, 15 and 16) and the Jajoo Group (Noticee 17), was found to be common (i.e, 54-E1-AD-B8-4C-C1). Further, another MAC ID (38-87-D5-06-1B-83) was found to be common for trades placed in the accounts of the Marfatia group (Noticees 11, 12, 15 and 16) and the Jajoo Group (Noticee 17). The stock broker through which trades in the accounts of M K B Bespoke Audio General (Noticee 9) were placed (Emkay Global Financial Services Limited), has also captured the user name of MAC IDs. The user name for one of the IDs was “NT_Bindesh.LAPTOP-7C9AGH6E(1:14:54:310)_INT” and for another ID sometimes it was “NT_Prijesh.LAPTOP-P4AE36CT(8:54:51:132)_INT”. The period when the above MAC IDs were accessing the systems of the stock brokers is between November, 2021 to March, 2022.
- (b) The **public IP** for the Marfatia Group was not captured in the system of MSBPL. However, the front running trades in the account of Visa Capital Partners (Noticee

17) were placed from the public IP addresses in Dubai. I note that these Dubai IP addresses are the same as those used to place trades in the Kurani Group accounts (Noticees 6,7, 8 and 9).

84. From the above, I note that the MAC address 54-E1-AD-B8-4C-C1 is the same across the Marfatia Group, the Jajoo Group and the Kurani Group, which shows that the trades placed in the mule accounts (Noticees 6,7,8,10,11,12,15,16 and 17) originated from the same physical device. The fact that the user names captured “Priyesh” and “Bindesh” for MAC IDs used to place trades in the account of M K B Bespoke Audio General (Noticee 9) (part of the Kurani Group) establishes that Mr. Priyesh (Noticee 5) was placing the trades in such account. Further, the public IP addresses are the same for the Jajoo Group and Kurani Group, based in Dubai. This shows that both groups had a shared internet connection.
85. At this juncture, it may be noted that the investigation has not brought forward any evidence that the demat account owners of the Marfatia Group (Noticees 11, 12, 15 and 16) or Visa Capital Partners, part of the Jajoo Group (Noticee 17) were based in Dubai or working from Dubai. No material shows that these Noticees had any contact with Mr. Viresh (Noticee 1), who was the information carrier. When the above facts are seen in totality, I note that not only Mr. Kunal (who is the IT support of WBPL) has admitted that he had given the trading terminal access to Mr. Priyesh (Noticee 5), but also there is evidence in the form of MAC IDs and IP addresses which shows that the trades were being placed geographically from Dubai where admittedly Mr. Priyesh is based.

(D) WhatsApp Chats

86. The Interim Order cum SCN has relied on certain WhatsApp chats obtained from Mr. Priyesh Kurani’s device which are discussed below:
- (a) WhatsApp chat between Mr. Sumit (Noticee 2) and Mr. Priyesh (Noticee 5) on October 01, 2021: Mr. Sumit has sent a message to Mr. Priyesh stating “*Marfatia pwd change thayo che new pwd che...*”, which in English translates to “*the*

password of Marfatia (referring to MSBPL) has changed and the revised password is as follows”.

- (b) WhatsApp chat between mobile no. ending with 2165 (identified as Mr. Yunus, IT support of MSBPL) with Mr. Prijesh (Noticee 5) on October 04, 2021: The person whose contact number ends with 2165 has stated *“Call me for installation”* and *“Or give any desk id”*. In response to which, Mr. Prijesh (Noticee 5) has shared an image of Anydesk ID.
- (c) WhatsApp chat between Mr. Vaibhav (Noticee 4) and Mr. Prijesh on October 13, 2021: Mr. Vaibhav has stated *“Marfatia login karyu 1002 id”* (in English: *“Login to Marfatia, ID 1002”*). To which, Mr. Prijesh has responded *“Kari ne message karu”* and *“Password su che”* (in English: *“I’ll do it and then message you,”* and asked: *“What is the password?”*). Then, Mr. Vaibhav has shared a sticky note which is titled *“Marfatia”* and has a certain ID and password written on it.
- (d) WhatsApp chat between person identified as Mr. Kunal Dalal, IT support of WBPL and Mr. Prijesh (Noticee 5) on November 10, 2021: In the chat, Mr. Kunal has stated *“give me anydesk id”*. In response, Mr. Prijesh has shared an image of any desk id and password.
- (e) WhatsApp chat between person identified as Mr. Kunal Dalal, IT support of WBPL and Mr. Prijesh (Noticee 5) on March 15, 2022: Mr. Prijesh has shared an image and stated *“Price refresh j nathi thatha. Baki badha software barqbar chale che”* (in English: *“Only the price refresh is not happening. Otherwise all the software is working properly.”*). To which, Mr. Kunal has responded *“Ok. Check karavu chu”* (in English: *“Okay. I’ll check.”*).
- (f) WhatsApp chat between Mr. Vaibhav (Noticee 4) and Mr. Prijesh on November 11, 2021: Mr. Vaibhav has sent an image which is a stick note titled *“Woodstock”*. The image further states an *“Id”* and *“Pwd”*. To which, Mr. Prijesh has responded *“Ok”*.

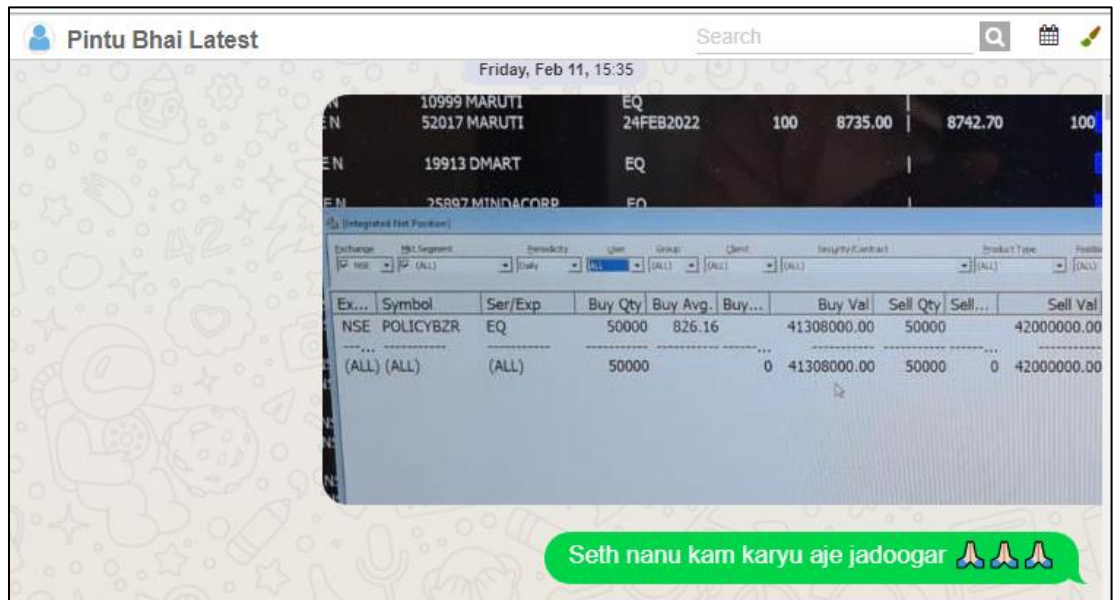
87. The WhatsApp chats detailed above corroborate the conclusion that the alleged front running trades were placed by Mr. Prijesh (Noticee 5) as he can be seen corresponding with the IT support of MSBPL and WBPL as well as Mr. Sumit and Mr. Vaibhav to obtain the login credentials for the trading terminals.
88. In view of the above, on a preponderance of probability, I find that there was a collusive arrangement wherein the front running trades were being placed by Mr. Prijesh Kurani in the account of front runner Noticees.

C.2.3 Whether Mr. Viresh Joshi had access to the non-public information of the Big Client and was he involved in the front running scheme?

89. The Interim Order cum SCN alleges that Mr. Viresh Joshi had passed on NPI to Mr. Prijesh Kurani who in turn executed the impugned front running trades. Considering that the mutual fund's decisions on trades are highly confidential, it is but obvious that front running would not have been possible without non-public information having been passed. As recorded in the Investigation Report / Interim Order cum SCN, the set of persons who had access to the NPI was limited. A list of officials of the Big Client (Axis Mutual Fund) who were most likely to have access to the NPI was drawn up which included Mr. Viresh Joshi, one of the Chief Dealers of the mutual fund. Search and seizure operations were carried out at various premises belonging to the officials of Axis Mutual Fund, front runners, their relatives etc. and among other things, electronic devices were seized.
90. The devices of one such person – Mr. Prijesh Kurani (Noticee 5) revealed WhatsApp messages exchanged between various persons, who are now Noticees, that made recurring references to a “**Jadugar**” (literally meaning ‘magician’). **The references pointed to a person at whose behest or guidance trades were being placed.** Some of such references to “Jadugar” as mentioned in the Investigation Report and the SCN are as follows:

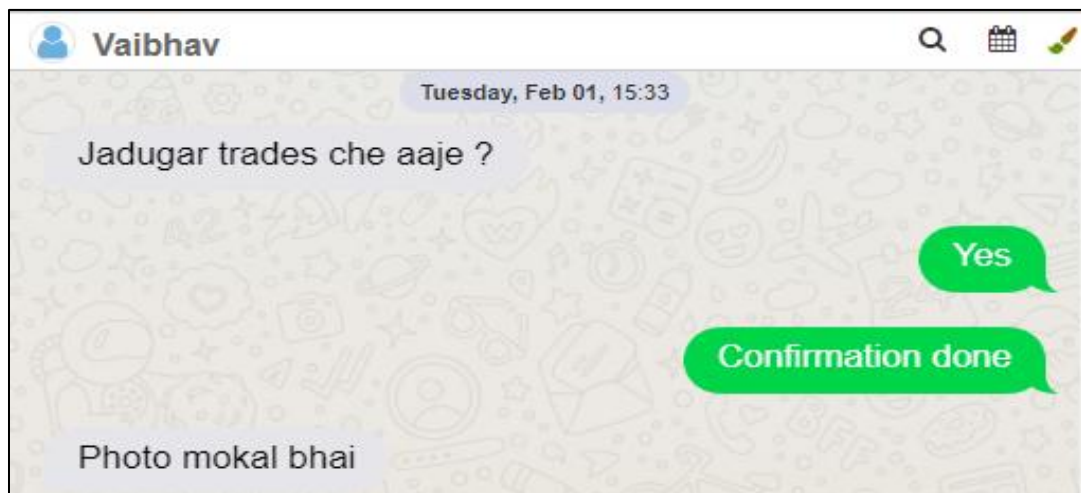
- (i) WhatsApp chat between Mr. Sumit Desai (Pintu Bhai) and Mr. Prijesh Kurani on February 11, 2022 wherein Mr. Prijesh has referred to “jadooger”:

Image 3



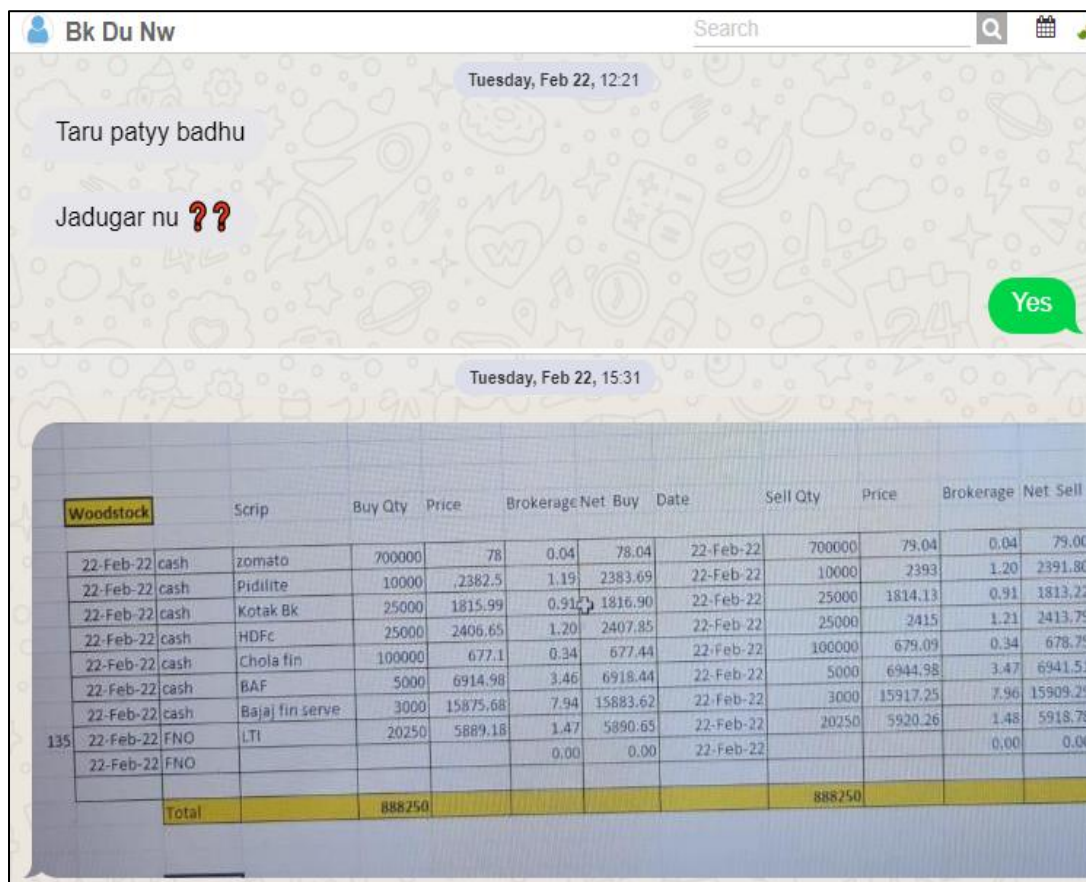
- (ii) WhatsApp chat between Mr. Vaibhav Pandya (employee of Mr. Sumit) and Mr. Prijesh Kurani on February 01, 2022 where Mr. Vaibhav can be seen enquiring about trades of 'Jadugar':

Image 4



- (iii) It was observed that Mr. Bindesh Kurani (brother of Mr. Prijesh Kurani) also used to enquire from Mr. Prijesh Kurani whether 'Jadugar' had any trades on a particular day. The screenshot of the said chat is as follows:

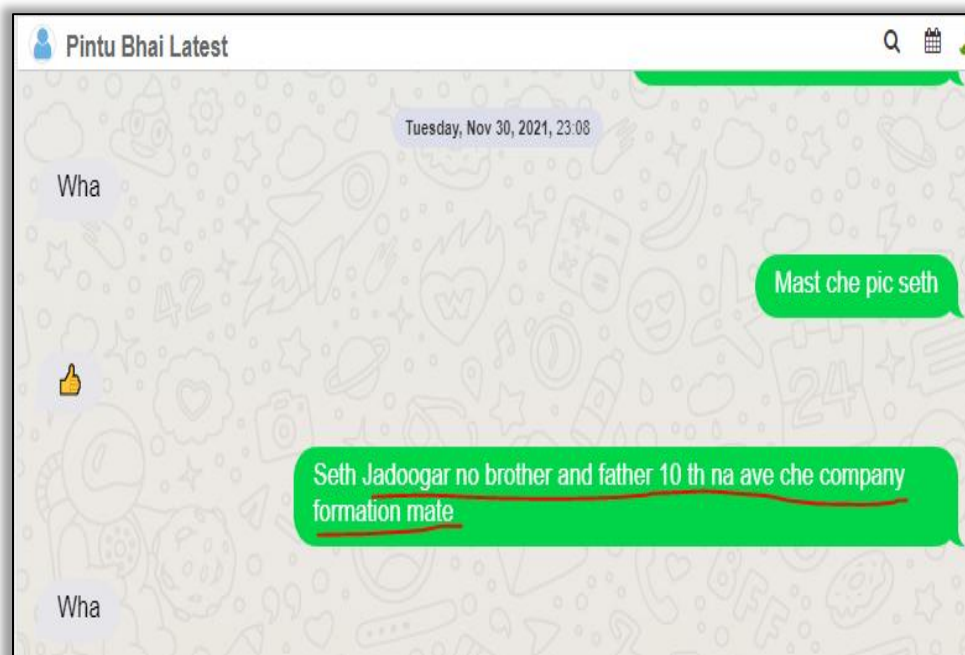
Image 5



- (iv) In a WhatsApp chat dated November 30, 2021, between Mr. Prijesh Kurani and Mr. Sumit Desai, Mr. Prijesh is revealing to Mr. Sumit that 'Jadoogar's' brother and father are visiting Dubai on December 10, 2021 for the purpose of company formation. The screenshot of the said chat is as follows:

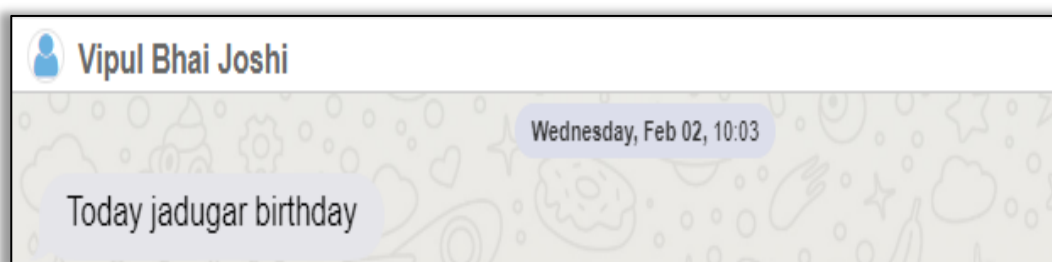
[page intentionally left blank]

Image 6



- (v) Further, Mr. Vipul Joshi (brother of Viresh Joshi) in his chat with Mr. Prijesh Kurani on February 02, 2022 has said “*Today jadugar birthday*”. As per the KYC details of Mr. Viresh Joshi, it is observed that February 02, 1974 is his date of birth. The screenshot of the said chat is as follows:

Image 7



(A) Is Mr. Viresh Joshi ‘Jadugar’?

91. The allegation that ‘Jadugar’ in the messages exchanged with Mr. Prijesh Kurani, is in fact Mr. Viresh Joshi (Noticee 1) is supported, inter alia, by the following:

- (i) Statements of Mr. Sumit Desai, and Mr. Pranav Vora recorded before SEBI's Investigating Authority on August 10, 2022 and May 16, 2022, respectively.
- (ii) The specific WhatsApp chat in Image 7 above, which refers to "Jadugar's birthday" corresponds with Mr. Viresh Joshi's date of birth as per his KYC details.
- (iii) In the specific WhatsApp chat in Image 6 above, dated November 30, 2021, between Mr. Prijesh Kurani and Mr. Sumit Desai, Mr. Prijesh is revealing to Mr. Sumit that 'Jadoogar's' brother and father are visiting Dubai on December 10, 2021 for the purpose of company formation. In this regard, I note that the reservation confirmation available on record, reproduced below, shows that the Mr. Vipul Joshi and Mr. Gangaram Joshi, being the brother and father, respectively, of Mr. Viresh travelled from Mumbai to Sharjah (UAE) on December 10, 2021 and returned on December 20, 2021. The passenger contact detail in the said conservation contain Mr. Prijesh's email ID. I further note that the company being referred is "Vintage Capital Investment LLC", which was issued a member certificate by the Dubai Chamber on December 14, 2021. These facts, read together, clearly establish that the reference to "Jadooger" in Image 6, can only be to Mr. Viresh (Noticee 1), whose brother and father were actually in Dubai during the aforesaid period for incorporation of Vintage Capital Investment LLC. In the sub-issue C.2.4 below, I have examined the nexus between the said Dubai company and Mr. Prijesh and his brother.

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Image 8

RESERVATION CONFIRMED					
					
RESERVATION NUMBER (PNR)	69429754	BOOKING REFERENCES	69429754		
DATE OF BOOKING	30 Nov 2021	AIRLINE CODE LEGEND	G9 - Air Arabia		
DATE OF ISSUE	30 Nov 2021				
PASSENGER DETAILS					
Passenger Name(s)	Fare	Charges	Paid Amount	Balance	
MR VIPUL GANGARAM JOSHI	685.00 AED	1094.07 AED	1779.07 AED	0.00 AED	
MR GANGARAM KAKULAL JOSHI	685.00 AED	1094.06 AED	1779.06 AED	0.00 AED	
TOTAL IN AED	1370.00	2188.13	3558.13	0.00	
PASSENGER CONTACT DETAILS					
VIPUL GANGARAM, JOSHI priyesh1010 [REDACTED] 6661					
Note : Above contact no. will be used for flight change notification.					
AGENT DETAILS					
Web Agency		IATA Code: N/A			
TRAVEL SEGMENTS					
FLIGHT	ORIGIN / DESTINATION	DEPARTURE / ARRIVAL	CHECK-IN FROM	CLASS OF SERVICE	STATUS
G9404 (NON-STOP)	Mumbai - Terminal-2 Sharjah Duration: 03:10	Fri, 10 Dec 2021 15:10 Fri, 10 Dec 2021 16:50 Aircraft: Airbus A320-168Y	Fri, 10 Dec 2021 12:10 Transit: -	VCAT2 Y	OK
G9401 (NON-STOP)	Sharjah Mumbai - Terminal-2 Duration: 03:05	Mon, 20 Dec 2021 16:10 Mon, 20 Dec 2021 20:45 Aircraft: Airbus A320-168Y	Mon, 20 Dec 2021 13:10 Transit: -	VCAT2 Y	OK
LOCAL CALL CENTER DETAILS					
Mumbai	BOM	Call Centre timings Mon - Fri- 0900-2000 Saturday 0900-1700 00912271004777 Call Centre closed on Sunday			
Sharjah	SHJ	0097165580000			
E TICKET DETAILS					
Passenger Name(s)	Segment	Flight	E TICKET NUMBER		
MR VIPUL GANGARAM JOSHI	BOM/SHJ	G9404	5142394806079/1		
	SHJ/BOM	G9401	5142394806079/2		
MR GANGARAM KAKULAL JOSHI	BOM/SHJ	G9404	5142394806080/1		
	SHJ/BOM	G9401	5142394806080/2		

(B) Is Mr. Viresh Joshi 'Asdfg'?

92. Mr. Priyesh Kurani, whose phone was seized during the course of investigation, revealed several suspicious conversations with a contact listed in his phone directory as "Asdfg". The SCN comes to the *prima facie* conclusion that the person listed as "Asdfg" is in fact Mr. Viresh Joshi. This conclusion is based, *inter alia*, on the following:

- (i) Statement of Mr. Viresh (Noticee 1) recorded before SEBI's Investigating Authority in which he has admitted that he has used the contact number +91 851XXXX891 (also the contact number behind "Asdfg");
- (ii) Call data records between "Asdfg" and family members of Mr. Viresh and with Mr. Sumit (Noticee 2);
- (iii) Tower ID data which places "Asdfg" and Mr. Viresh (Noticee 1) mostly at the same location.

Each of these evidences are examined in detail below.

Statement of Mr. Viresh Joshi

- 93. In his statement recorded before SEBI dated August 26, 2022 (Second Statement) and dated November 16, 2022 (Third Statement), Mr. Viresh (Noticee 1) has admitted that the contact number +91 851XXXX891 belongs to him but is currently not in use.
- 94. The admission in the Second Statement and the Third Statement, conclusively confirms that the contact number +91 851XXXX891 saved as 'Asdfg' in Mr. Prijesh's (Noticee 5) device was owned by Mr. Viresh (Noticee 1) and used by him at some point in the past. In relation to the above, in his reply, Mr. Viresh (Noticee 1) has denied owning the mobile number +91 851XXXX891. This is obviously contrary to two statements recorded before SEBI on two separate occasions, wherein on both occasions he admits to having used the aforesaid numbers.

Data records of calls between "Asdfg" and family members of Mr. Viresh Joshi (Noticee 1)

- 95. In the CDR data pertaining to contact number +91 851XXXX891 (*which was saved as "Asdfg" in Prijesh Kurani's phone*), calls had been made to and received from +91 865XXXX044 owned by Mr. Vipul Joshi (brother of Mr. Viresh Joshi), Mr. Sumit (Noticee

2) and Mr. Prijesh (Noticee 5). Mr. Viresh Joshi has, in his reply, has claimed that the mobile number associated with “Asdfg” did not belong to him. Therefore, he is not in a position to offer any explanation or clarification in respect of the CDRs linked with the said number. According to him, mere existence of call records between “Asdfg” and Mr. Viresh’s / Noticee 1’s brother, does not, by itself establish any wrongdoing on his part.

96. In this regard, as noted earlier, in his statement recorded before SEBI dated August 26, 2022 (Second Statement) and dated November 16, 2022 (Third Statement), Mr. Viresh (Noticee 1) had admitted that the contact number +91 851XXXX891 belongs to him but is currently not in use. While an isolated call between “Asdfg” and Mr. Viresh’s / Noticee 1’s brother can be passed off as coincidence, the repeated calls with other key Noticees such as Mr. Sumit (Noticee 2) and Mr. Prijesh (Noticee 5), is a relevant circumstance that adds to the preponderance of probability that “Asdfg” was in fact Mr. Viresh Joshi. The details of such calls are provided below:

Table 9

Party A	Party B	Period / Date	A to B		B to A	
			Count	Duration (in secs)	Count	Duration (in secs)
+91 851XXXX891 (Viresh Joshi)	+91 836xxxx414 (Vipul Joshi)	February 12, 2022	0	0	7	82
	+91 969xxxx967 (Sumit Desai)	October 05, 2021 to April 02, 2022	4	162	0	0
	+971 52xxxx661 (Prijesh Kurani)	September 28, 2021 to February 23, 2022	0	0	28	17059

The calls along with the statements of Mr. Viresh, tower co-location etc, when viewed together corroborate the inference drawn in the Interim Order cum SCN.

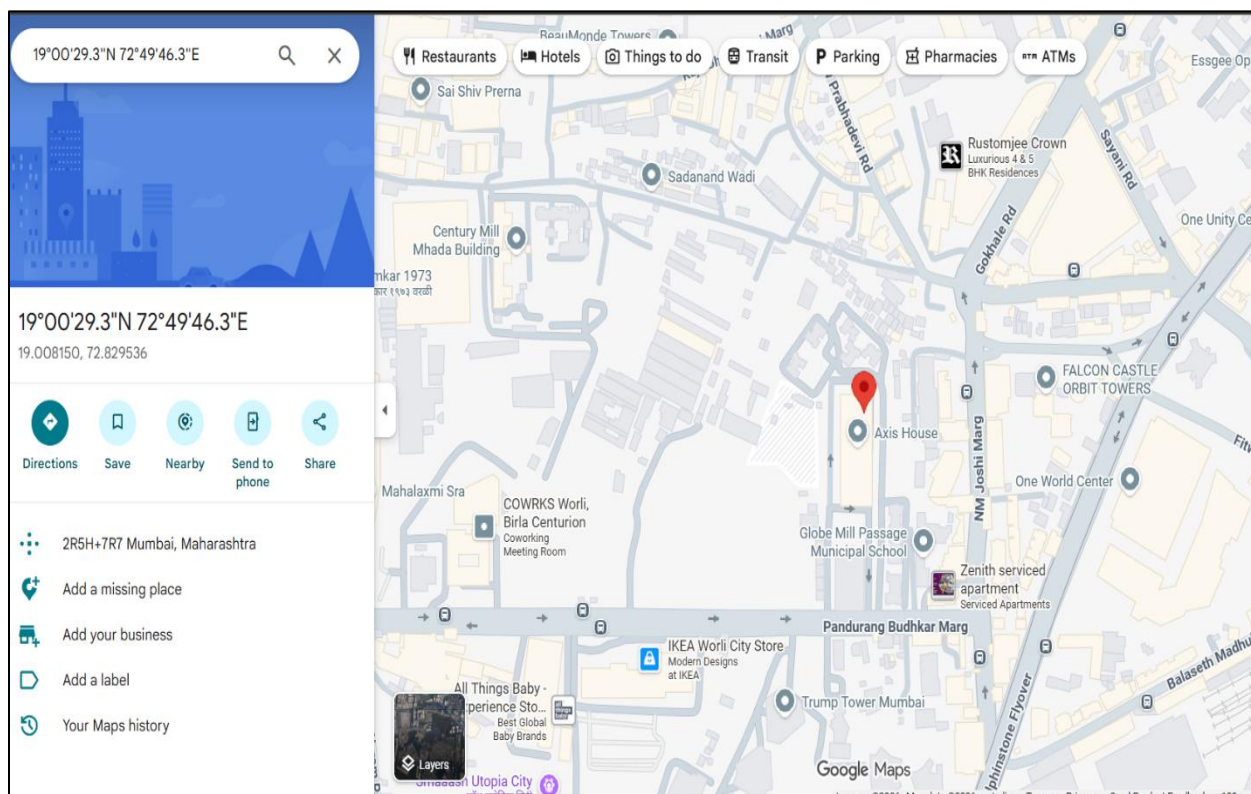
Tower ID data placing Mr. Viresh and “Asdfg” at the same location

97. I note from statement recorded before SEBI dated May 26, 2022 (First Statement), Mr. Viresh (Noticee 1) has stated that the contact number +91 846XXXX962 is used by him

as on date. Further, vide email dated September 21, 2022, the Big Client informed SEBI that one of the contact numbers submitted by Mr. Viresh to them is +91 986XXXX922.

98. The Interim Order cum SCN alleges that on several occasions based on Tower ID analysis, the mobile number +91 851XXXX891 (Asdfg) and the mobile number +91 986XXXX922 which had been disclosed as his personal phone by Mr. Viresh to his employer, the Big Client, were found to be moving together. In this regard, I note that most of the time, both contact numbers were mapped to the same tower address, namely, "Axis Bank Ltd, Walia Plaza, Tower A, Bombay Dying Mill Compound, Worli MUMBAI".
99. Mr. Viresh Joshi has, in his reply, argued that the tower ID location which shows that the contact numbers +91 846XXXX962 and +91 851XXXX891 were found to be in the same location has been derived on the basis of telecom network triangulation, which does not have the capability to pinpoint the precise location of a mobile device to a specific office or premises. He has also claimed that several trades alleged as front run were executed during the period when Mr. Viresh was working from home. However, the location attributed to the contact "Asdfg" which matches with the contact number of Mr. Viresh, is stated to be the Worli office of Axis MF. There is no data matching the location of "Asdfg" to Mr. Viresh at his residential premises.
100. I note that cell triangulation identifies the location of a cell phone by having three towers send signals to the phone and determining the location based on the time it takes for the signal to return from the said phone. I note that the tower ID data as obtained from the telecom service provider by SEBI during investigation for both the aforesaid contact numbers contains latitude and longitude coordinates. The tower ID data shows that on multiple dates during the Investigation Period, the latitude and longitude coordinates for the aforesaid contact numbers were the same i.e, latitude 19.008150100708008 and longitude 72.82953643798828. When these coordinates are plotted on a map, they are capable of determining the precise location. A screenshot of the result when the aforesaid coordinates are put into Google Maps is reproduced below:

Image 9



101. From the above, I note that the latitude and longitude coordinates point to the address of Axis House in Worli, where Mr. Viresh (Noticee 1) used to work. It cannot be a coincidence that the +91 846XXXX962 and +91 851XXXX891 were found to be in the same location. Mr. Viresh's / Noticee 1's defense that several front running trades were executed when he was working from home, but the location of contact "Asdfg" in the tower ID analysis is the Axis Worli office, shows that the contact "Asdfg" cannot be attributed to him, is untenable. The triangulation exercise is not meant to identify Mr. Viresh Joshi's location at the precise time when the front running trades were executed. The object of the exercise is to determine whether it is probable that "Asdfg" was in fact Mr. Viresh Joshi. The SCN does not allege that at all points in time Mr. Viresh Joshi was seen to be only at his office location.

102. Mr. Viresh (Noticee 1) has also argued that the contact "Asdfg" cannot be attributed to him because on certain specific days when heavy front running trades were observed

and he was physically in office as per the attendance records, the contact “Asdfg” is not reflected in office as per tower ID data. In this regard, I note that as Mr. Viresh / Noticee 1 was in office, he had access to NPI, whether using the mobile number +91 851XXXX891 or not. It is not SEBI’s claim that Mr. Viresh / Noticee 1 solely communicated NPI of the Big Client using the aforesaid mobile number. Rather, the *prima facie* conclusion was that the contact “Asdfg” having contact number +91 851XXXX891 in Mr. Prijesh’s phone in fact referred to Mr. Viresh Joshi. Isolated mismatches in location does not effectively rebut this *prima facie* conclusion. The dates when the location of the aforesaid two contact numbers was the Worli office of the Big Client is listed below:

Table 10

#	Period	Dates when the location of +91 846XXXX962 and “Asdfg” was the same
1.	October, 2021	October 01, 2021, October 13, 2021, October 20, 2021, October 22, 2021, October 29, 2021
2.	November, 2021	November 17, 2021, November 24, 2021, November 26, 2021
3.	December, 2021	December 01, 2021, December 08, 2021, December 10, 2021
4.	February, 2022	February 07, 2022, February 08, 2022, February 09, 2022, February 11, 2022, February 14, 2022, February 15, 2022, February 17, 2022, February 21, 2022, February 22, 2022, February 24, 2022, February 25, 2022, February 28, 2022
5.	March, 2022	March 02, 2022, March 03, 2022, March 07, 2022, March 09, 2022, March 10, 2022, March 14, 2022, March 16, 2022, March 17, 2022, March 21, 2022, March 22, 2022, March 23, 2022, March 25, 2022, March 30, 2022, March 31, 2022

From the above, I note that for the four instances cited by the Noticee where the location of Mr. Viresh does not match with “Asdfg”, there are thirty-seven instances where the location does match.

Defense of distinct IMEI

103. Mr. Viresh (Noticee 1) has submitted that the CDRs for mobile number +91 851XXXX891, consistently show that it was used on a distinct device with IMEI 869146034532780. He

has pointed out the above IMEI belongs to a completely different mobile device than the two handsets seized from him during investigation (which carry IMEIs: 356740110070738 and 356740110184547). Therefore, the mobile number +91 851XXXX891 could not have belonged to him.

104. In this regard, I note that every mobile device has a unique identification number, namely, Instrument Manufactured Equipment Identity, for brevity, IMEI number. I note from Annexure 17 of the Investigation Report i.e, CDR Analysis of “Asdfg” from May 26, 2021 to May 09, 2022 that the IMEI of contact “Asdfg” is reflected as 869146034532780, 357195322594590 and 353221105890740. In complex financial frauds, it is common for individuals to use temporary mobile handsets or separate devices specifically to avoid discovery and seizure by law enforcement. I note that the first 8 digits of the IMEI number are the Type Allocation Code (TAC) through which the brand owner and the device model can be ascertained. When a search is made using TAC, I find that the contact “Asdfg” was used on different devices such as OPPO A5 Model CPH1809 (IMEI: 869146034532780), Apple iPhone 11 Model A2221 (IMEI: 357195322594590) and Apple iPhone 8 Model A1863 (IMEI: 353221105890740). Thus, as can be seen above, for just one-year period, the contact “Asdfg” used three different mobile devices, OPPO A5 Model CPH1809, Apple iPhone 11 Model A2221 and Apple iPhone 8 Model A1863. Mr. Viresh himself has admitted use of multiple numbers in both the statements recorded before SEBI’s IA in August and November of 2022. He has also admitted that he has ceased to use mobile number +91 851XXXX891 atleast as on the date of his recorded statement. It is entirely possible that the SIM card with the aforesaid contact number was used on different phones at different points in time. Therefore, to point out the contradiction between the contact number and the seized phones’ IMEIs does not aid his defense or distance him from the allegation that the contact stored as “Asdfg” was a reference to Viresh Joshi.

Defense of no unauthorized discretion by Mr. Viresh

105. Mr. Viresh has claimed that the investigation does not identify a single instance where he has deviated from any execution or instruction contained in the order management

system, altered any trade parameter, or exercised any unauthorized discretion in relation to the trades executed. In this regard, I note that the violation alleged against Mr. Viresh is communication of NPI relating to the impending orders of the Big Client and orchestrating the fraudulent scheme. The allegation is not whether he modified or deleted any impending order of Big Client to gain advantage. By coordinating with the other Noticee(s), Mr. Viresh was in a position to front run the trades of the Big Client. His submission that the dealing room environment was controlled, by itself, does not by itself adequately rebut the allegation against him. As discussed above, Mr. Viresh was able to execute the fraudulent scheme, inter alia, by using a mobile number not disclosed to the Big Client, using coded identities, and third party accounts etc.

Defense of no access or knowledge of F&O orders of the Big Client

106. Mr. Viresh has submitted that he was the chief dealer for the equity segment, therefore, by virtue of his position he would not have access to or knowledge of trades pertaining to the F&O segment. Further, he has claimed that the pricing and movement in derivatives segment are influenced by numerous factors not limited to the movement in the underlying cash market scrip.
107. In relation to the above, I note that during the IP, as per email of the Big Client dated September 22, 2022, Mr. Viresh being a dealer with the Big Client, had access to both the equity and F&O segment dealing room. Thus, it cannot be ruled out that Mr. Viresh did not have access to NPI of F&O orders of Big Client. I find that in the equity segment alone, large number of BBS and SSB patterns of trades have been observed. In the present case, the transactions in the equity segment resulted in the bulk of the wrongful gains. In the equity segment, 828 front running trades were executed wherein the profit earned was INR 21,83,16,338.56 whereas in the F&O segment, 255 front running trades were executed resulting in profit of INR 8,72,73,330. Also, price movement in the underlying scrip has a high nexus with the price movement in its derivative. It is possible to execute front running trades in the F&O segment, by taking advantage of the NPI of impending trades of the Big Client in cash segment.

108. In view of all of the above, on a preponderance of probability, **I agree with the prima facie conclusion in the SCN that Mr. Viresh Joshi's contact number was saved as "Asdfg" in Mr. Prijesh Kurani's phone.** Mr. Viresh Joshi has not submitted any credible grounds for me to take a contrary view.

(C) Whether Mr. Viresh Joshi was involved in front running the trades of Axis Mutual Fund?

109. As noted earlier, Mr. Viresh Joshi was one of the few persons in the Big Client i.e. Axis Mutual Fund uniquely positioned with access to NPI. The SCN reaches a *prima facie* conclusion that Mr. Viresh Joshi was involved in front running the trades of Axis Mutual Fund also relying on extracts of Bloomberg Chats between him and the trading members who used to place trades for Axis Mutual Fund on an official / formal basis. The chats when compared with trades that were being executed by the front runner (FR) Noticees, lead to a conclusion, on preponderance of probability, that Viresh Joshi was passing on information to the front runners. These chats / trading pattern are corroborated by Mr. Viresh Joshi's own statement recorded on August 26, 2022 wherein he admits to having negotiated deals for the front runners. A detailed account of the negotiated dealing, related Bloomberg chats and trades of the front runners are discussed below:

- a. On December 02, 2021, Mr. Bhavin (Noticee 15) bought 2,89,517 shares of Gland Pharma Ltd. on BSE. The details of the trades are as follows:

Table 11

Order Start to End Time	Trade Start to End Time	Traded Quantity	Average Traded Price (INR)	Trading member of counterparty
14:52:40 - 14:55:04	14:52:43- 14:55:26	2,89,517	3,630.37	Motilal Oswal Securities Ltd.

The aforesaid buy trade matched to the extent of 2,88,384 shares where the trading member of the counterparty was Motilal Oswal Securities Ltd.

- b. In this regard, the Bloomberg chats between Mr. Viresh (Noticee 1) and an employee of Motilal Oswal Securities Ltd. before and after the order and trade times of Mr. Bhavin is as follows:

Table 12

#	Chat Time	From	To	Message
1.	14:38:50	Viresh	Motilal	<i>Gland bol</i>
2.	14:39:02	Motilal	Viresh	<i>3635 ok</i>
3.	14:39:05	Motilal	Viresh	<i>taking him online</i>
4.	14:39:30	Viresh	Motilal	Ask best offer 275 to 300 k between
5.	14:39:34	Motilal	Viresh	<i>sure</i>
6.	14:42:10	Motilal	Viresh	<i>he has 200k on his pad. he has gone to check for our size. 2 mnspls</i>
7.	14:43:48	Viresh	Motilal	<i>Qty?</i>
8.	14:44:03	Motilal	Viresh	<i>he has 200k on his pad</i>
9.	14:44:05	Motilal	Viresh	<i>he can offer</i>
10.	14:44:12	Motilal	Viresh	<i>at market</i>
11.	14:44:18	Viresh	Motilal	3630?
12.	14:44:22	Motilal	Viresh	<i>can try\</i>
13.	14:44:24	Motilal	Viresh	<i>for sure</i>
14.	14:44:27	Motilal	Viresh	<i>fair price</i>
15.	14:46:16	Motilal	Viresh	<i>300k offer in GLAND IN at 3630</i>
16.	14:46:26	Motilal	Viresh	<i>cmp : 3634.55</i>
17.	14:46:31	Viresh	Motilal	<i>Closed</i>
18.	14:46:40	Viresh	Motilal	285 k types
19.	14:46:50	Motilal	Viresh	<i>sure..</i>
20.	14:47:15	Motilal	Viresh	<i>thank you V much bhai for your support</i>
21.	14:47:42	Viresh	Motilal	<i>BSE will do outside ready kar</i>
22.	14:48:01	Motilal	Viresh	<i>ok 2 mins</i>
23.	14:48:08	Motilal	Viresh	<i>after I get the ticket</i>
24.	14:48:10	Motilal	Viresh	<i>will ping you</i>
25.	14:49:02	Motilal	Viresh	<i>what size ticket should I ask?</i>
26.	14:49:17	Motilal	Viresh	<i>285 or 300?</i>
27.	14:49:28	Viresh	Motilal	275k
28.	14:49:32	Motilal	Viresh	ok
29.	14:50:41	Motilal	Viresh	am ready on BSE
30.	14:50:52	Viresh	Motilal	Wait 5 min more
31.	14:50:57	Motilal	Viresh	ok
32.	14:52:30	Viresh	Motilal	Ready BSE 3630?
33.	14:52:35	Motilal	Viresh	yes

#	Chat Time	From	To	Message
34.	14:52:38	Motilal	Viresh	<i>ready on BSE</i>
35.	14:52:43	Viresh	Motilal	<i>Go ahead</i>
36.	14:52:48	Motilal	Viresh	<i>am in</i>
37.	14:53:01	Motilal	Viresh	<i>150k pending</i>
38.	14:53:04	Viresh	Motilal	<i>Remove</i>
39.	14:53:06	Viresh	Motilal	<i>bal</i>
40.	14:53:07	Motilal	Viresh	<i>ok</i>
41.	14:53:08	Viresh	Motilal	<i>Fast</i>
42.	14:53:11	Motilal	Viresh	<i>removed</i>
43.	14:53:56	Viresh	Motilal	<i>Ready kar ?</i>
44.	14:53:58	Viresh	Motilal	<i>Bal ?</i>
45.	14:54:08	Motilal	Viresh	<i>am ready for bal</i>
46.	14:54:11	Motilal	Viresh	<i>on BSE</i>
47.	14:54:13	Motilal	Viresh	<i>3630</i>
48.	14:55:19	Viresh	Motilal	<i>Go ahead 130k</i>
49.	14:55:23	Motilal	Viresh	<i>ok</i>
50.	14:55:38	Motilal	Viresh	<i>done</i>
51.	14:55:44	Motilal	Viresh	<i>Thank you v much bhai</i>
52.	14:57:08	Motilal	Viresh	<i>V Power! V Dhamaka!</i>
53.	15:09:27	Motilal	Viresh	<i>Thank you Very much again bhai _Λ_</i>
54.	15:11:57	Motilal	Viresh	<i>GLAND IN 3645 block going through</i>
55.	15:11:58	Motilal	Viresh	<i>bse</i>

- c. It can be seen from the above table that at #4, 18, and 27 (i.e, pre order start time of Mr. Bhavin), Mr. Viresh is asking the employee of Motilal Oswal Securities Ltd. to buy shares of “275k” or “285k” which is similar to the traded quantity of 2,89,517 in the account of Mr. Bhavin. Further, At #11 and 32 (which is also prior to the order start time of Mr. Bhavin), Mr. Viresh is asking the broker to place the order at INR 3630, which is also the average traded price at which Mr. Bhavin executed the 2,89,517 shares. Infact, at 14:50:52 (#30), Mr. Viresh asks the broker to wait for 5 minutes. But, at 14:52:43 (#35), Mr. Viresh asks the broker to “Go ahead”. I note that the order start time of Mr. Bhavin was 14:52:40 PM i.e, 3 seconds before Mr. Viresh gave the signal to the broker to place the trade. From the above, this exact alignment of volume, price, and precise timing establishes that Mr. Viresh was actively negotiating to facilitate the front-running strategy.

- d. This coordination is further cemented by the fact that at 15:11:57 PM (#57 in the table above), another block trade was happening in “Gland” which investigation has observed to be the actual trade executed by Mr. Viresh on behalf of Axis MF, whose counterparty turned out to be Mr. Bhavin (Noticee 15).
- e. The above facts and inferences drawn have not been specifically disputed by Mr. Viresh.

110. Mr. Viresh has contended that the Interim Order cum SCN relies only on one instance in the scrip of “Gland” to allege negotiation of trades for third parties, despite the Investigation Report reflecting multiple front running trades across various scrips. SCN does not quantify how many instances of such negotiation are alleged. As per Mr. Viresh, on the same day, another alleged front running entity traded in the same scrip in a similar pattern, but her trade was neither linked to any Bloomberg chat nor identified as a front-running instance. In this regard, my findings are as follows:

- a. Mr. Viresh has not offered any alternative explanation to the allegation levelled above. But, he has raised an issue over a solitary instance being discussed with respect to the allegation. It is not necessary that the SCN must narrate every instance trade-by-trade. The illustration of the trades on December 02, 2021 in the scrip of “Gland” is sufficient to demonstrate the *modus operandi*.
- b. Nevertheless, another deal negotiated by Mr. Viresh for Ms. Dharini and Ms. Bharti (part of the Kurani Group), Ms. Rupal (part of the Marfatia Group), and Visa Capital Partners (part of the Jajoo Group) on December 22, 2021 is discussed below:

Table 13

#	Chat Time	From	To	Message
1.	12:23:48	Viresh	Emkay	ABB?
2.	12:24:00	Emkay	Viresh	You need a refresh?
3.	12:24:12	Viresh	Emkay	Y
4.	12:25:05	Emkay	Viresh	ABB: offer 200k @ 2315 ob, all or none

#	Chat Time	From	To	Message
5.	12:25:42	Emkay	Viresh	<i>This is fully with me, so no slippage</i>
6.	12:26:08	Viresh	Emkay	<i>Lower lvl?</i>
7.	12:26:15	Emkay	Viresh	<i>Shd I bid 2310?</i>
8.	12:26:26	Emkay	Viresh	<i>He was at 2308 earlier when cmp was there</i>
9.	12:26:32	Emkay	Viresh	<i>Current px 2309/10</i>
10	12:26:57	Viresh	Emkay	<i>100k 1st try to close</i>
11	12:27:03	Emkay	Viresh	<i>He is all or none for 200k</i>
12	12:27:35	Emkay	Viresh	<i>Should I check 100k @ 2310?</i>
13	12:27:55	Viresh	Emkay	<i>200k ok</i>
14	12:28:02	Emkay	Viresh	<i>Ok, 200k @ 2310?</i>
15	12:28:20	Viresh	Emkay	<i>Closed kar</i>
16	12:28:30	Emkay	Viresh	<i>Ok, asking...1 min</i>
17	12:28:55	Emkay	Viresh	<i>Closed</i>
18	12:28:58	Emkay	Viresh	<i>200k @ 2310</i>
19	12:29:03	Emkay	Viresh	<i>Any more?</i>
20	12:29:15	Emkay	Viresh	<i>Should I check 200k more?</i>
21	12:29:26	Viresh	Emkay	<i>Nope wait</i>
22	12:29:35	Viresh	Emkay	<i>200k done 1st closed?</i>
23	12:29:37	Emkay	Viresh	<i>Yes</i>
24	12:29:39	Emkay	Viresh	<i>Closed</i>
25	12:29:41	Emkay	Viresh	200k @ 2310
26	12:30:12	Viresh	Emkay	Out side cross do ready NSE
27	12:30:30	Emkay	Viresh	Can do, am ready...tell when to go in
28	12:30:51	Viresh	Emkay	You are ready NSE ?
29	12:30:54	Emkay	Viresh	Yes, ready nse
30	12:31:05	Viresh	Emkay	Go ahead
31	12:31:13	Emkay	Viresh	Done
32	12:31:20	Emkay	Viresh	I can do more
33	12:34:45	Emkay	Viresh	Lots of volume happ - including blocks after we traded.....pls let me know if you would care for more
34	12:34:55	Viresh	Emkay	No more
35	12:34:58	Emkay	Viresh	Ok

Table 14

#	Time	From	To	Message
1.	12:33:10	Phillipcapital	Viresh	<i>Rcd order :- abb + buy + 250000 @ 2325</i>
2.	12:38:39	Phillipcapital	Viresh	<i>Abb + buy + 250000 @ 2324.7152 = complete sir</i>
3.	15:31:45	Phillipcapital	Viresh	<i>Finals updates SCHEME (AMCF) :- Total Q :- 250000 ABB + BUY + NSE + 250000 @ 2324.7152 = Complete Thanks sir</i>

- c. From the above Table 13 at #25, it can be seen that, Mr. Viresh is seen to be negotiating for purchase of 2,00,000 shares of ABB India Ltd. at INR 2310 on NSE. Coincidentally, Ms. Dharini, Ms. Bharti, Ms. Rupal and Visa Capital Partners collectively placed orders for buying 1,95,000 shares of ABB India Ltd. from 12:26:45 to 12:33:03 PM (i.e, around the same time as the above discussion was taking place) at an average traded price of INR 2310. The aforesaid buy orders of Noticees matched to the extent of 1,98,498 shares where the trading member of the counterparty was Emkay Global Financial Services Ltd. (i.e, the same broker to which Mr. Viresh asked to buy shares for the Big Client ended up selling shares to the front runners). At the same time, from Table 14 above, Mr. Viresh has also been seen negotiating with PhillipCapital (India) Pvt. Ltd. for purchase of 2,50,000 shares of ABB India Ltd. for the Big Client at INR 2324 (i.e, close to the price at which the front runners sold their shares). The aforesaid buy trade of Axis Mutual Fund matched to the extent of 1,82,804 shares with the above front runners on NSE.

111. The above pattern shows that the front runners would acquire positions in the same scrip, at or around the same time as the Information Carrier (Mr. Viresh) was negotiating purchase of that scrip for the Big Client, followed by the squaring off of such positions at prices commensurate with the Big Client's subsequent trades. This demonstrates, on preponderance of probability, that the connected Noticees were acting on the NPI of impending orders of the Big Client, communicated to them by Mr Viresh and without whose active participation and direction the scheme could not have been executed.

C.2.4 Whether the order related Non-Public Information (NPI) of Big Client was communicated by Mr. Viresh Joshi to Mr. Prijesh Kurani?

112. The SCN alleges that Mr. Prijesh Kurani received NPI from Viresh Joshi (*and in turn executed front running trades from the accounts of the other FRs*). The prima facie conclusion was drawn, based on the following:

- (i) Statement by Mr. Viresh Joshi and Mr. Sumit Desai;
- (ii) WhatsApp Chats between Mr. Prijesh Kurani and Mr. Viresh Joshi regarding formation of company in Dubai;
- (iii) Deceptive emails and related audio/video clip facilitated by Mr. Prijesh Kurani

(A) Statement by Mr. Viresh Joshi and Mr. Sumit Desai

113. As per his own statements dated August 26, 2022 and November 16, 2022, Mr. Viresh (Noticee 1) has stated that after his meeting with Mr. Sumit (Noticee 2) in 2021 he would pass trade related information to the employees of Mr. Sumit (Noticee 2) (including Mr. Prijesh Noticee 5). In his Second Statement dated August 26, 2022, Mr. Viresh has even admitted that such information used to be transmitted through Apple FaceTime and BOTIM. As stated in paragraph 4.4 above, BOTIM is an application available on iOS and Android, and is widely used in the Middle East for video and voice calls, messaging, group chats, money transfers, and related communication services.

114. As per the deposition of Mr. Sumit (Noticee 2) dated November 10, 2022, Mr. Sumit has stated that he knew Mr. Prijesh (Noticee 5) for more than five years, and introduced him to Mr. Viresh (Noticee 1). Further, as per Mr. Sumit, Mr. Viresh used to pass trade related information to Mr. Prijesh through Apple FaceTime / BOTIM.

(B) WhatsApp Chats between Mr. Prijesh Kurani and Mr. Viresh Joshi regarding formation of a company in Dubai

115. The SCN alleges that WhatsApp conversations have been found between “Asdfg” and Mr. Prijesh Kurani in the context of incorporation of a company in the UAE. I have already

concluded in previous paragraphs that the contact listed as “Asdfg” in Mr. Prijesh Kurani’s phone is, on a preponderance of probability, in reference to Mr. Viresh Joshi.

116. I note that the company being referred to is one, Vintage Capital Investment LLC. During investigation, documents were obtained from Securities and Commodities Authority (SCA UAE) for the said company. I have perused the license documents of the company. I note that the license is registered in Dubai from December 14, 2021 and the beneficial ownership of the company is as follows:

Table 15

#	Name	Share %	Position
1.	Dharini Prijesh Kurani	0%	POA
2.	Vipul Gangaram Joshi	90%	Owner
3.	Gangaram Kakulal Joshi	9%	Owner
4.	Aysha Nasser Salem	1%	Owner

117. In this regard, I note from WhatsApp chats between “Asdfg” and Mr. Prijesh Kurani (Noticee 5), as obtained from the latter’s mobile device, that they have discussed the name, shareholding of the company and the manager. The relevant screenshots are placed below:

Image 10

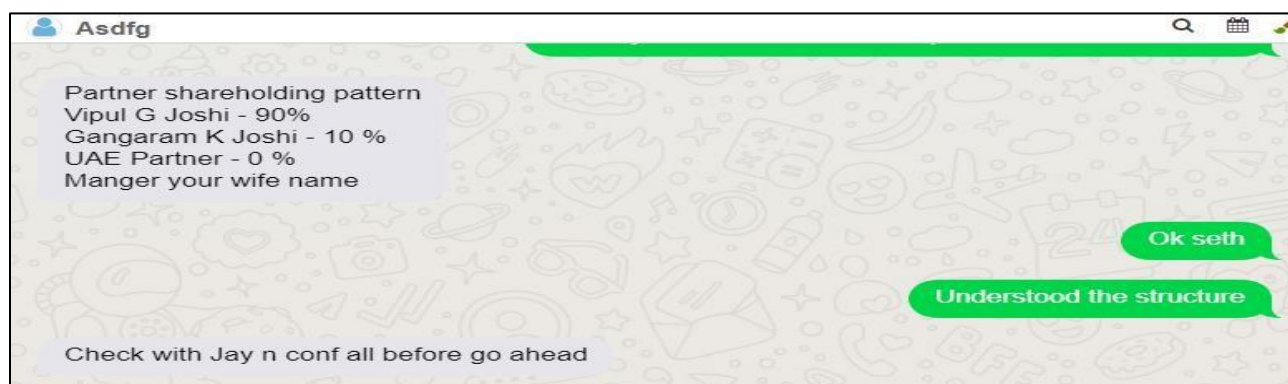
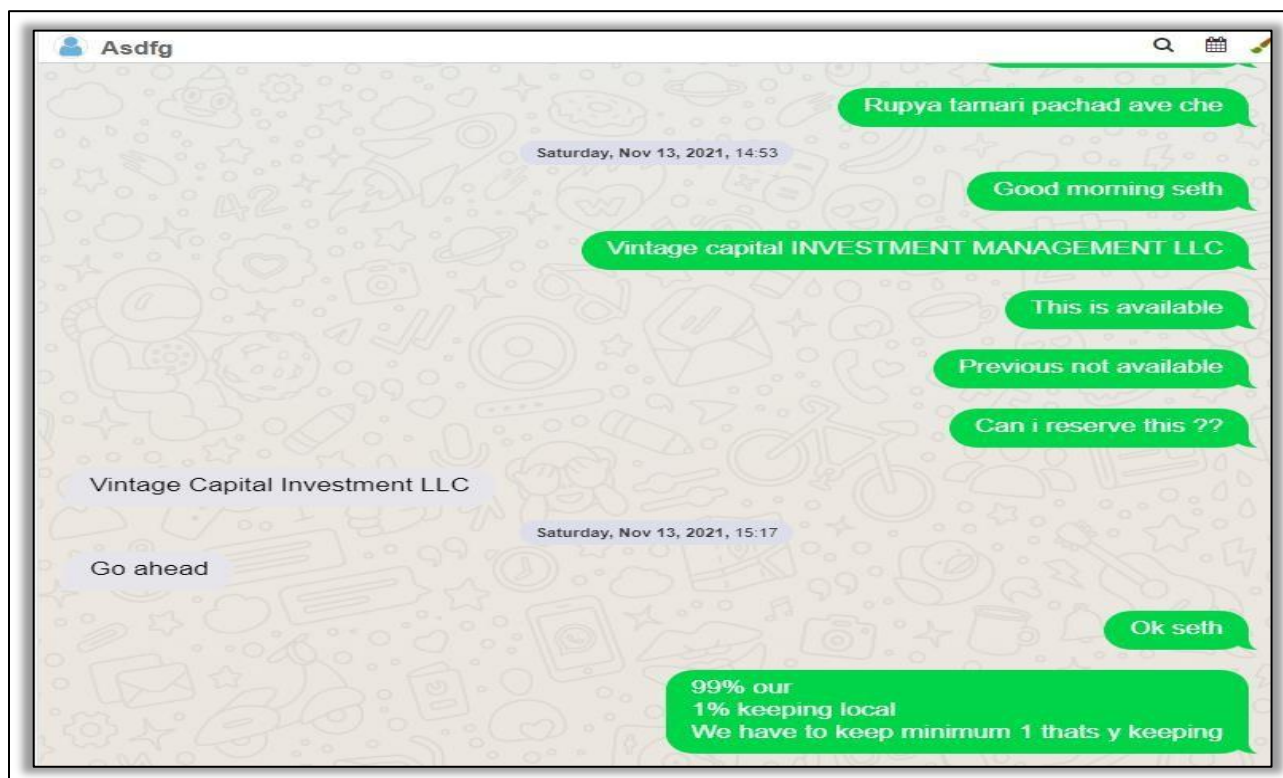


Image 11



118. With respect to the above, Mr. Viresh (Noticee 1) has contended that he had no role in formation or operations of the company and that his affairs are independent from those of his immediate family members. In this regard, as can be seen from Image 10, that Mr. Viresh Joshi has provided a shareholding pattern to Mr. Prijesh Kurani which is similar to the actual shareholding pattern of Vintage Capital Investment LLC. The only difference is that Mr. Viresh had proposed 10% shareholding for Mr. Gangaram Kakulal Joshi (his father) and 0% shareholding to the Dubai partner, but in the actual shareholding pattern, Mr. Viresh / Noticee 1's father has 9% shareholding and the Dubai partner, one Aysha Nasser Salem has 1% shareholding. The difference can also be explained with the help of Image 11 above, wherein Mr. Prijesh can be seen informing Viresh Joshi that *"99% our 1% keeping local We have to keep minimum 1 thats y keeping"*. Further, I note that certain debits on May 18, 2022 amounting to AED 9,50,000, on May 19, 2022 of AED 9,00,000, on May 25, 2022 of AED 9,75,000 and on May 26, 2022 of AED 9,90,000 have been observed in the bank account of the company, where the receiver is Mr. Bindesh Kurani (Noticee 10) i.e. Mr. Prijesh Kurani's brother. If Mr. Viresh had no connection with Mr.

Prijesh Kurani, a company incorporated by his father and brother in Dubai would not be withdrawing funds to give to Mr. Prijesh Kurani's brother, who is also based in Dubai.

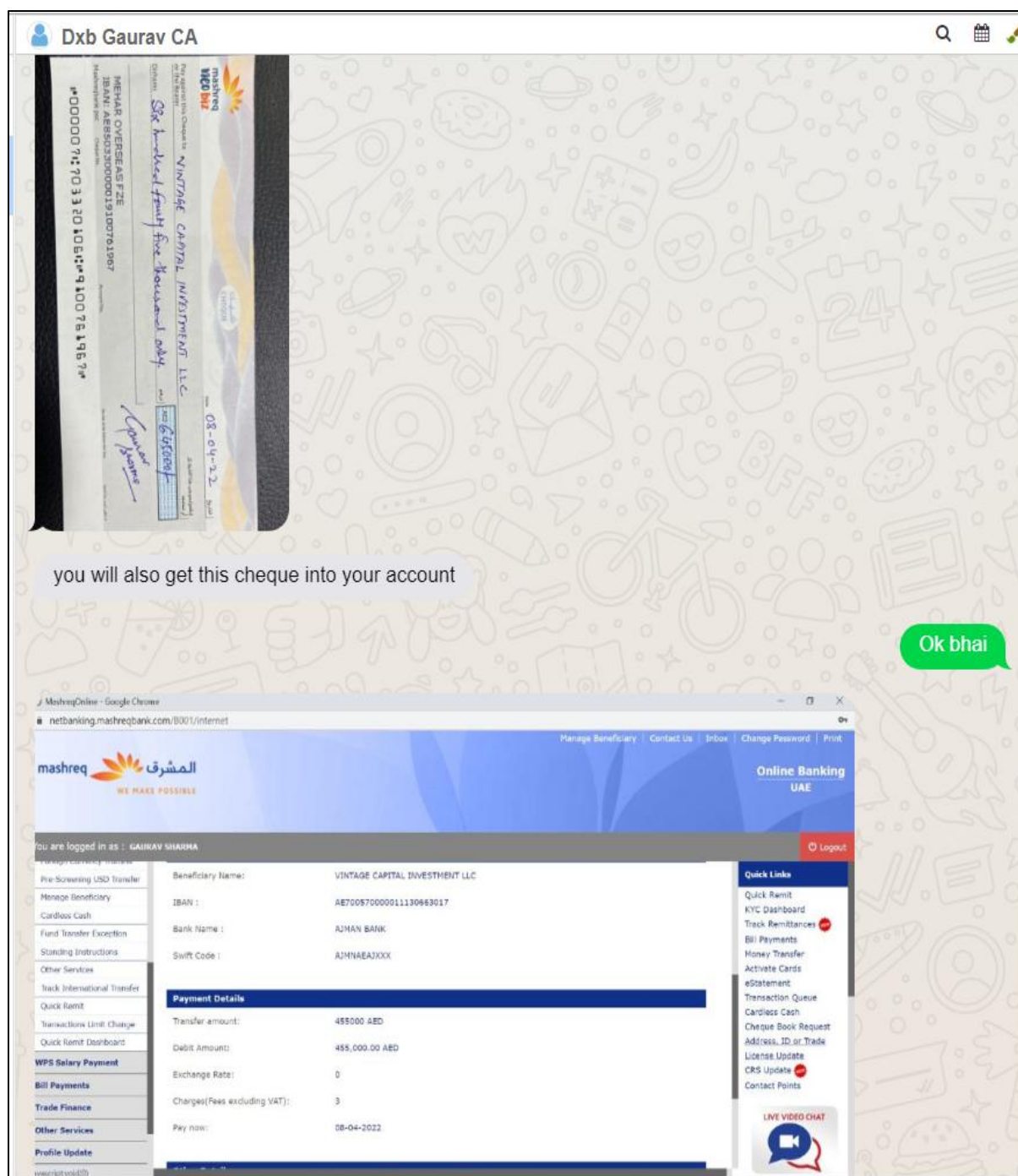
(C) Movement of the proceeds generated from the illegal front running activity

119. The WhatsApp chats of Mr. Prijesh, show that a bank account having no. xxxxxxx3017 was opened in Ajman Bank, Dubai for Vintage Capital Investment LLC. The subsequent chats and bank statement of Vintage Capital Investment LLC indicate that this account was used to receive substantial funds during April to May 2022.

120. A sample WhatsApp chat shows that a cheque of AED 6,45,000 was issued in favor of Vintage Capital Investment LLC from Mehar Overseas FZE dated April 08, 2022. The bank account statement of Vintage Capital Investment LLC corroborates this, as it reflects an exact credit of AED 6,45,000 on April 09, 2022 from Mehar Overseas FZE. The same chat also refers to another payment of AED 4,55,000 through online banking, and the bank statement reflects a corresponding credit of AED 4,55, from Llyod and Traf Global Fzco.

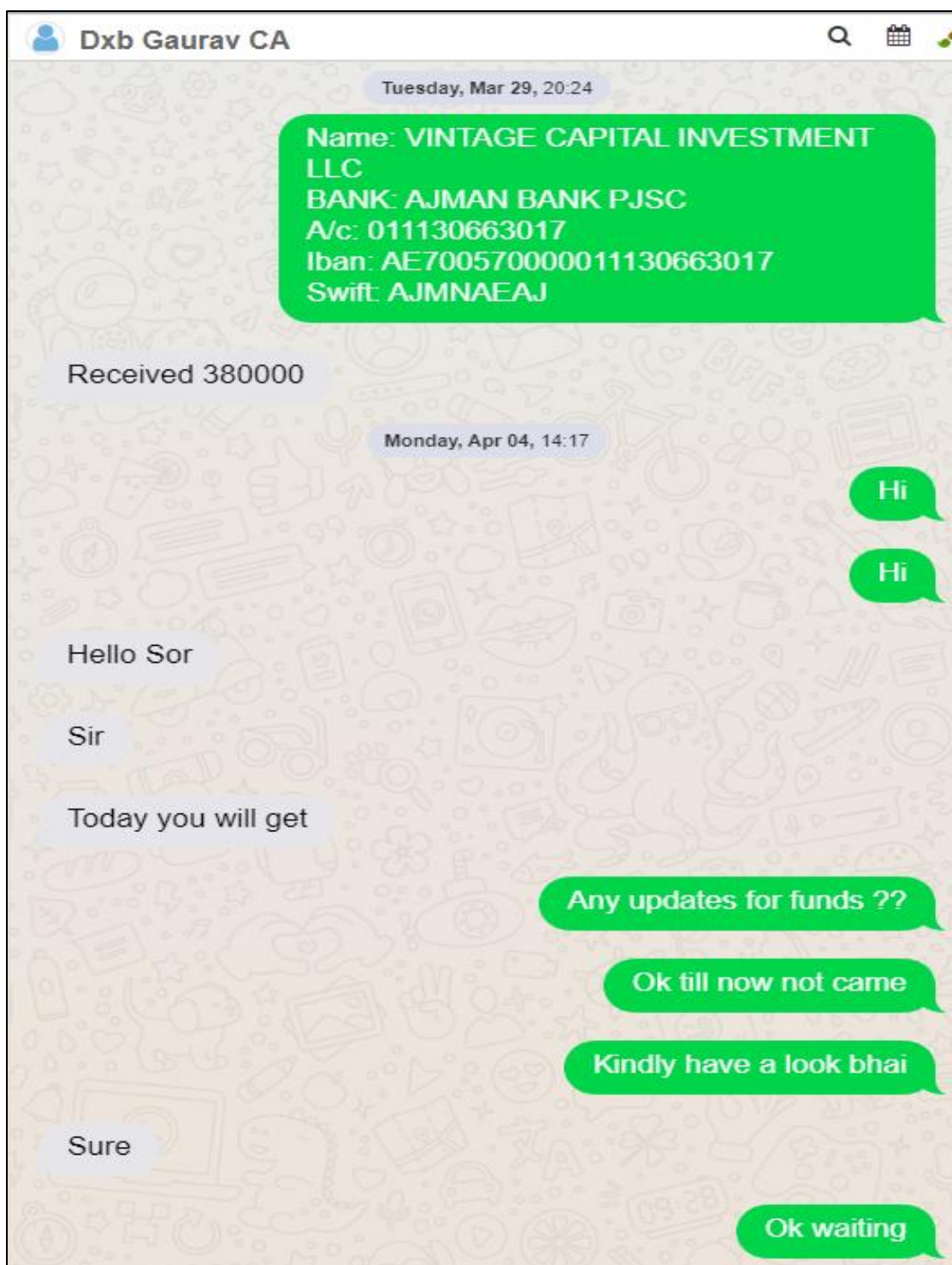
[page intentionally left blank]

Image 12



121. Further, I note from the bank statement of Vintage Capital Investment LLC, that a credit received in its account on April 05, 2022 of AED 3,80,000 exactly matches the amount discussed in the image below.

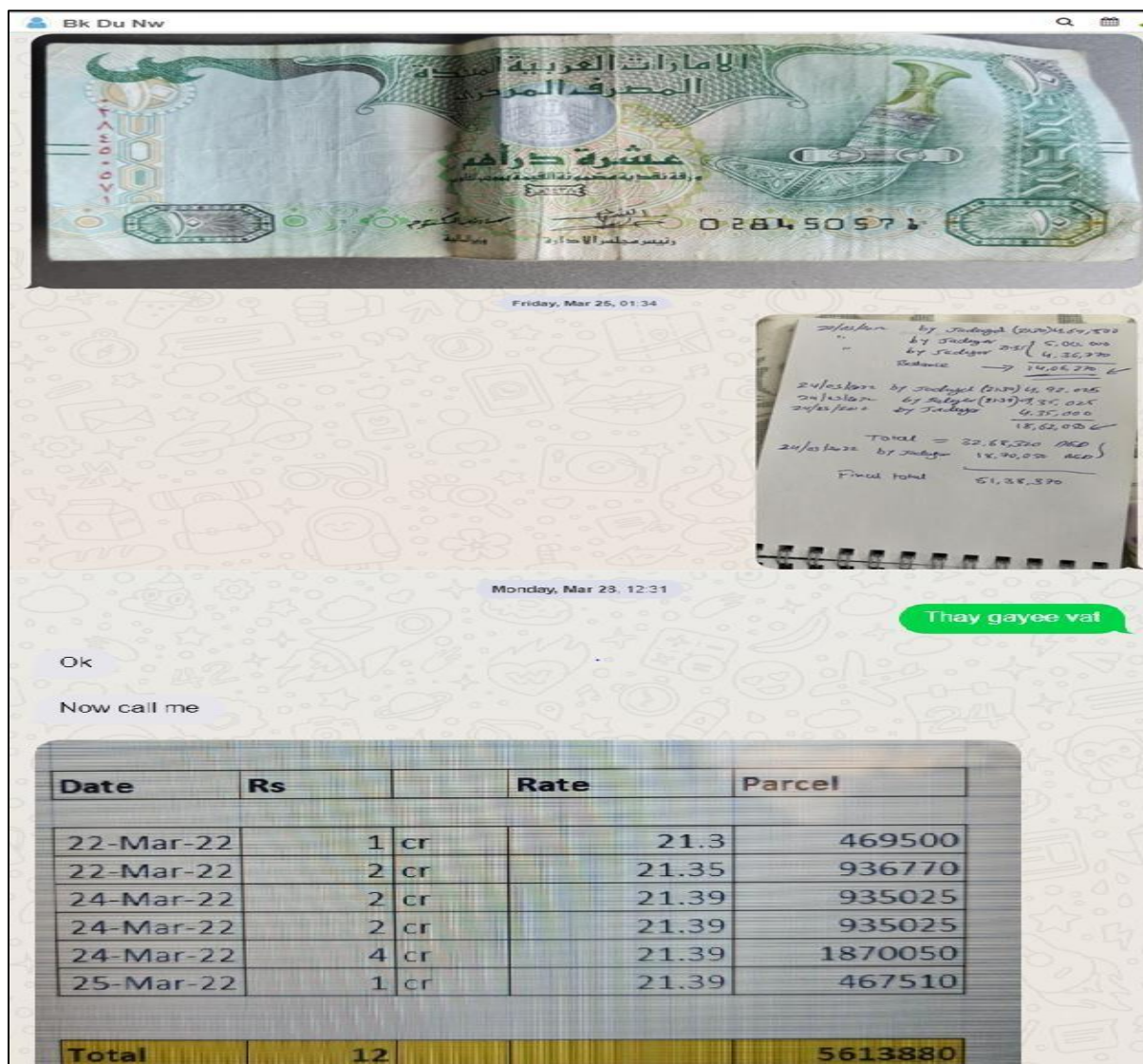
Image 13



122. I also note that one of the images shared between Mr. Prijesh Kurani and Mr. Bindesh Kurani shows that a total amount of AED 56,13,880 (approximately INR 12 crores) has

been transferred by Jadugar (Mr. Viresh). The said image is reproduced below. When the image is considered together with the bank account statement of Vintage Capital Investment LLC, I note that during the period between April 05, 2022 to May 10, 2022, an amount of AED 56,21,990.55 (equivalent to INR 11,62,06,544.66⁵) was deposited in its bank account maintained with Ajman Bank.

Image 14



⁵ Based on the exchange rate of 1 AED = INR 20.67 as on May 10, 2022.

123. In addition, there is a WhatsApp chat containing an audio⁶ available on record between Mr. Prijesh Kurani and Mr. Bindesh Kurani, in which there is a discussion about picking up Jadugar's money (referencing to Mr. Viresh Joshi) from Deira in Dubai.

124. The aforesaid chats, images, audio recording and bank statement, when read cumulatively, establish a clear nexus between "Jadugar" (Mr. Viresh), Mr. Prijesh / Bindesh Kurani and the Ajman bank account of Vintage Capital Investment LLC. The WhatsApp chat references to fund transfers are corroborated by corresponding credits in Vintage's bank statement, which substantially matches the amount shown in the image as transferred by "Jadugar". Further, the audio reference to picking up "Jadugar's money" from Deira supports the inference on preponderance of probability that Mr. Prijesh and Mr. Bindesh were involved in facilitating the movement / collection of such funds. I, therefore, find that the Ajman bank account of Vintage Capital Investment LLC was used as an offshore vehicle to receive funds connected with "Jadugar" (Mr. Viresh), and that Mr. Prijesh and Mr. Bindesh Kurani were involved in facilitating the movement of such fund.

(D) Deceptive emails and related audio / video clip facilitated by Mr. Prijesh Kurani

125. The Interim Order cum SCN states that the Big Client during their internal investigation had unearthed an email dated January 19, 2022 ("First Email") from the official email inbox of Mr. Viresh Joshi (Noticee 1). The email was sent from ibhavinshah@gmail.com, who is assumed to be Mr. Bhavin Shah (Noticee 15), a mule account owner. The email was sent to certain email IDs resembling email IDs of regulatory agencies and Mr. Viresh. The email explicitly accused Mr. Viresh of misusing Mr. Bhavin / Noticee 15's demat account using a Dubai IP address. All the addressee email IDs of regulatory agencies, were infact, incorrect (such as addressed to chairma.n@sebi.gov.in instead of chairman@sebi.gov.in). The only email ID which was correct belonged to Mr. Viresh. This leads me to the logical inference that the email was never genuinely intended for official reporting. Instead, the inclusion of such incorrect regulatory email IDs, was a façade created, to alert / frighten Mr. Viresh under the guise of disclosure to the regulators.

⁶https://www.sebi.gov.in/sebi_data/audi/files/Page%2025%20BK%20to%20Pk%20%20Hvala%20trf.opus

126. Post the above event, a WhatsApp chat dated January 24, 2022 was discovered between Mr. Pranav Vora (Noticee 3) and Mr. Prijesh (Noticee 5). In the WhatsApp chat, it was observed that a draft letter was exchanged between them apparently written by Mr. Bhavin (Noticee 15), denying the contents of the First Email regarding misuse by Mr. Viresh. The email was addressed to MSBPL (the broker of Mr. Bhavin's demat account), and requested MSBPL to forward the letter to regulatory agencies ("**Second Email**"). The email IDs of regulatory agencies were again incorrect and were provided by 'Asdfg'.

127. In this regard, I note that Mr. Viresh (Noticee 1), in his Second Statement dated August 26, 2022, in response to Q.10 has stated that:

*"On January 19, 2022, I received an email alleging that I have misused trading account of Bhavin Shah to front run the trades of Axis Mutual Fund. There I came to know that the trading account of Bhavin Shah with Marfatia Stocking Broking Pvt. Ltd. was used.
..."*

Further, in response to the question #11 "*What steps you took with respect to the aforesaid email dated January 19, 2022?*", he has stated that:

"The email was not sent by Bhavin Shah but was sent by Hanif Shekh. Further, the trading account of Bhavin Shah was used so he has to know about the trades placed in his account. So, I drafted an email writing the same that Bhavin Shah himself was operating his trading account with Marfatia based on his own research. I sent the draft to Prijesh and asked him to ensure that Bhavin Shah sends the email to compliance department of Marfatia.

The email dated January 19, 2022, was also marked to other email ids which were all incorrect. So, I send the wrong emails ids to Prijesh Kurani and asked him to ensure that Bhavin Shah should request in his email to Marfatia that they should send the email to aforesaid wrong email ids.

(emphasis supplied)

128. A video clip⁷ was also discovered from the seized device of Mr. Prijesh (Noticee 5), dated January 25, 2022, wherein Mr. Prijesh has stated that the content of the letter has been prepared by “Jadugar” and has to be shared by Mr. Bhavin (Noticee 15) with his stock broker. I note that the reference to ‘Jadugar’, meaning “magician” in Hindi, is, in the context, an unambiguous reference to Mr. Viresh Joshi, who is seen in the very evidence on record as the person who conceived, drafted, and directed the transmission of the Second Email through Mr. Prijesh.
129. The alignment between Mr. Viresh’s admission (that he drafted the Second Email and sent the incorrect email IDs to Mr. Prijesh) and Mr. Prijesh’s internal communication (confirming that “Jadugar” prepared the text) eliminates any possibility of independent action. It shows that Mr. Viresh and Mr. Prijesh were in direct contact, operating in tandem to orchestrate a sophisticated cover up to conceal their front running scheme.
130. In this regard, Mr. Viresh has pointed out that Mr. Bhavin in his statement dated August 16, 2022, has denied sending the First Email (which accuses Noticee 1 of misusing Noticee 15’s account) and stated that someone had impersonated him. According to Mr. Viresh, despite the denial, SEBI has failed to investigate the author or the actual origin of the First Email. In this regard, I find that the focus remains on Mr. Viresh’s subsequent actions rather than the whistleblower’s identity. The fact that Mr. Viresh coordinated with Mr. Prijesh to send another email denying the contents of the earlier email, itself shows that he is complicit.
131. Further, Mr. Viresh has claimed that the draft of the Second Email sent by Mr. Viresh to Mr. Prijesh is not available on record. In this regard, irrespective of the above, Mr. Viresh has given a voluntary admission that he authored the text and sent it to Mr. Prijesh. Additionally, this admission is independently corroborated by the incorrect email IDs on record, supplied by ‘Asdfg’ / Mr. Viresh, which became the recipient email IDs for transmission of the email and a video clip where Mr. Prijesh explicitly attributes the letter’s authorship to ‘Jadugar.’

⁷ https://www.sebi.gov.in/sebi_data/videofiles/Prijesh_Pranav_Call.MOV

132. Mr. Viresh / Noticee 1's argument that because SEBI has not produced any records showing the exact transfer of NPI, the link is unproven, is untenable. In the present case, the following facts have emerged: (i) Mr. Viresh had access to the Big Client's incoming bulk orders due to his position as the Chief Dealer; (ii) the entity from whose devices front running orders were placed, was in direct contact with Mr. Viresh (Asdfg); (iii) as per statements of Mr. Viresh and Mr. Sumit, Mr. Viresh passed on NPI through Apple FaceTime / BOTIM and certain accounts were arranged for Mr. Viresh; (iv) as per the statements of Noticees or their directors (Noticees 11, 12, 15, and 17) they had lent their demat accounts to Mr. Sumit or Mr. Pranav; (v) trades have been found in the mule account owners (Noticees 6,7,8,9, 11, 12, 15, 16 and 17) which mirrors the trades of the Big Client. The question to ask is whether is it more probable for the entities to have guessed the trades of Big Client worth crores at random or is it more probable that an entity acted on the NPI during their direct communication with Mr. Viresh. I find that the trade data, and the communication of Mr. Viresh with Mr. Prijesh is established through CDRs, Tower ID analysis and assistance in formation of a company, are by themselves sufficient to tip the scale in the direction of NPI being shared by Mr. Viresh.

133. All of the above material available on record leads me to the conclusion on a strong preponderance of probability that **Mr. Prijesh Kurani was actively communicating with Mr. Viresh Joshi and received NPI from him**, which Mr. Prijesh in turn used to place trades using the accounts of the FR Noticees, to front run the trades of Viresh Joshi's employer i.e. Axis Mutual Fund.

C.2.5 Whether the conduct of the Noticees has resulted in violation of provisions of the SEBI Act and the PFUTP regulations? What is the liability of the mule account owners?

134. The Interim Order cum SCN has alleged that:

- a. Mr. Viresh, Mr. Sumit, Mr. Pranav, Mr. Vaibhav and Mr. Prijesh (Noticees 1 to 5) have violated sections 12A (a), (b), (c), (e) of the SEBI Act and regulation 3(a), (b), (c), (d), 4(1) and 4(2)(q) of PFUTP Regulations.

- b. The mule account owners, namely, Ms. Dharini, Ms. Rekha, Ms. Bharti, M K B Audio General and its director, Mr. Nishil, Olga Trading Pvt. Ltd. and its 2 directors, Mr. Bhavin, Ms. Rupal and Visa Capital Partners and its partners (Noticees 6 to 21) have violated sections 12A (a), (b), (c) of the SEBI Act and regulation 3(a), (b), (c), (d), and 4(1) of PFUTP Regulations.

135. In this regard, it will be appropriate to reproduce the text of applicable provisions in the matter. The text of the aforesaid provisions read as follows:

SEBI Act

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

12A. No person shall directly or indirectly—

- (a) use or employ, in connection with the issue, purchase or sale of any securities listed or proposed to be listed on a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of this Act or the rules or the regulations made thereunder;*
- (b) employ any device, scheme or artifice to defraud in connection with issue or dealing in securities which are listed or proposed to be listed on a recognised stock exchange;*
- (c) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person, in connection with the issue, dealing in securities which are listed or proposed to be listed on a recognised stock exchange, in contravention of the provisions of this Act or the rules or the regulations made thereunder;*
- (e) deal in securities while in possession of material or non-public information or communicate such material or non-public information to any other person, in a manner which is in contravention of the provisions of this Act or the rules or the regulations made thereunder;*

PFUTP Regulations

3. Prohibition of certain dealings in securities No person shall directly or indirectly—

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

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

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

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

4. Prohibition of manipulative, fraudulent and unfair trade practices

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

**[Explanation.— For the removal of doubts, it is clarified that- (i) any act of diversion, misutilisation or siphoning off of assets or earnings of a company whose securities are listed or any concealment of such act or any device, scheme or artifice to manipulate the books of accounts or financial statement of such a company that would directly or indirectly manipulate the price of securities of that company, or (ii) transactions through mule accounts for indulging in manipulative, fraudulent and unfair trade practice shall be and shall always be deemed to have been included in sub-regulation (1).]*

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

(q) any order in securities placed by a person, while directly or indirectly in possession of information that is not publically available, regarding a substantial impending transaction in that securities, its underlying securities or its derivative;

**Substituted vide Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) (Amendment) Regulations, 2024. w.e.f. July 1, 2024.*

136. From the above, I note that regulation 4(2)(q) of the PFUTP Regulations specifically addresses front running. Regulation 4(1) independently prohibits any manipulative, fraudulent or unfair trade practice in the securities market.

(A) *Liability of information carrier, arranger of mule accounts and employees*

137. In the present case, Mr. Viresh and Mr. Prijesh functioned as the dual pillars of the front running scheme. Mr. Viresh abused his position of trust to systematically leak NPI of trades of the Big Client, while Mr. Prijesh actively executed front running trades across a multi-layered network of corporate and individual mule accounts. The above masterminds deployed a highly organized network (including middlemen such as Mr. Sumit and Mr. Pranav) for siphoning institutional data and utilized specialized brokerage terminals (MSBPL and WBPL) and mule accounts to generate substantial unlawful returns. This setup directly compromised market integrity and distorted the price discovery mechanism for ordinary investors. Thus, I find that Mr. Viresh and Mr. Prijesh have violated section 12A (a), (b), (c), (e) of the SEBI Act and regulation 3(a), (b), (c), (d), 4(1) and 4(2)(q) of the PFUTP Regulations.

138. I note that even though investigation has not found any front running activity in the account of Mr. Sumit, Mr. Pranav and Mr. Vaibhav (Noticees 2, 3 and 4), they have played a vital part in the fraudulent scheme by arranging the mule demat accounts of Noticee 11, 12, 15, 16 and 17 for front running. From the WhatsApp conversations, Mr. Sumit, Mr. Pranav and Mr. Vaibhav are also seen corresponding with Mr. Prijesh (Noticee 5) to facilitate the front running. Admittedly, Mr. Sumit and Mr. Pranav have also played a role in transmitting the illegal funds arising from such activity. I note that although Mr. Vaibhav has argued that as he was employed with Mr. Sumit, he was strictly acting on his instructions, no formal employment agreement of Mr. Vaibhav has been placed before me. In absence of an employment agreement, the role of Mr. Vaibhav has to be determined from the material available on record. As discussed in previous paragraphs, Mr. Vaibhav can be seen requesting for trade details and sharing login credentials with Mr. Prijesh. Mr. Vaibhav cannot be put into the same bucket as Mr. Sumit and Mr. Pranav, as the scope of their roles in the present scheme is more than Mr. Vaibhav. Thus, Mr. Sumit, Mr. Pranav and Mr. Vaibhav acted in concert as part of a single front running arrangement, but the material available on record does not indicate that Mr. Vaibhav had the same degree of involvement as Mr. Sumit and Mr. Pranav. Accordingly, while I find that Mr. Sumit, Mr.

Pranav and Mr. Vaibhav have violated section 12A (a), (b), (c), (e) of the SEBI Act and regulation 3(a), (b), (c), (d), 4(1) and 4(2)(q) of the PFUTP Regulations, but the directions issued against them shall differ with respect to the degree of their involvement.

(B) Liability of mule account owners

139. The Kurani Group (Noticees 5 to 10) in their reply dated September 26, 2023 have admitted that Mr. Prijesh (Noticee 5) had placed trades in the accounts of Noticees 11,12,15,16 and 17 and that Mr. Sumit (Noticee 2) and Mr. Pranav (Noticee 3) had arranged trading accounts for him in return of informal profit sharing arrangement. In their respective depositions, Mr. Sumit (Noticee 2) and Mr. Pranav have also admitted for arranging accounts. As per the deposition of Mr. Nishil (Noticee 11) dated May 16, 2022 (answer to Q.3), who is the director of MSBPL, he had given access of the trading terminal of MSBPL and control of his account to Mr. Pranav (Noticee 3) for which he was receiving brokerage of INR 200 per crore. As per the statement recorded of Mr. Krunal (Noticee 13) dated November 23, 2022 (answer to Q.9), who was the director of Olga Trading Pvt. Ltd. (Noticee 12), he had lent the trading account of Olga Trading Pvt. Ltd. (Noticee 12) to Mr. Pranav (Noticee 3) who placed “stock market trades” and in return Mr. Pranav (Noticee 3) paid INR 50,000 per month in cash to Noticees 13 and 14. In the hearing before me, Mr. Krunal (Noticee 13) and Mr. Kamlesh (Noticee 14) have stated that they have approximately earned INR 4 lakh to 5 lakh through lending of the demat account of Noticee 12. Mr. Bhavin (Noticee 15) in his statement before SEBI dated August 16, 2022 (answer to Q.7), has stated that Mr. Pranav (Noticee 3) used to manage his and Ms. Rupal’s / Noticee 16’s trading account which was with MSBPL. As per deposition of Mr. Suresh (Noticee 18) dated May 16, 2022 who is the director of the WBPL and one of the partners of Visa Capital Partners (Noticee 17), he knew Mr. Darshan Desai (brother of Noticee 2) for the last 5-6 years (answer to Q.18). Mr. Suresh (Noticee 18) in his deposition has admitted that he had given access of the trading account of Visa Capital Partners (in which he and Noticees 19 to 21 are partners) to Mr. Darshan Desai for the period from November 2021 to February 2022 (answer to Q.17 and 28).

140. Regulation 4(1) of PFUTP Regulations states that no person shall indulge in manipulative, fraudulent or unfair trade practice in securities markets. Further, explanation (ii) to the said regulation, effective from July 01, 2024, reads as:

(ii) transactions through mule accounts for indulging in manipulative, fraudulent and unfair trade practice shall be and shall always be deemed to have been included in sub-regulation (1).

141. “Mule account” has been defined in regulation 2(da) of PFUTP Regulations, as follows:

“mule account” includes a trading account maintained with a stock broker or a dematerialised account or bank account linked with such trading account in the name(s) of a person, where the account is effectively controlled by another person, whether or not the consideration for transactions in the account are paid by such other person;

(emphasis supplied)

Thus, from the above, what needs to be shown for name lending / mule account is that someone else other than the registered owner has control of the account. It is not necessary to show whether any consideration or benefit has been received by the registered owner in lieu of lending his / her demat account.

142. The definition of “dealing in securities” under PFUTP Regulations was also amended with effect from July 01, 2024 to include acts “*either by themselves or through mule accounts*”. Further, the definition since February 01, 2019 also included “*any act of providing assistance to carry out the aforementioned acts*” under the definition of “dealing in securities”.

143. The Report of Committee on Fair Market Conduct under the Chairmanship of Dr. T. K. Viswanathan (“**Report on FMC**”), dated August 08, 2018, at paragraph 4.6 (Discouraging Layering of Funds) inter alia states:

“SEBI has often encountered cases where individuals without the means or wherewithal to commit economic offences have been used as a front for commission of violations of law by the actual offenders. The use of front entities or “mule accounts” enables layering of funds / securities between the source and the front entity who invests/trades in the securities market. The Committee deliberated on ways to discourage “mule accounts” for the purpose of manipulation whereby the real perpetrators of scheme of manipulation remain untraced. In this context, it was suggested that a mechanism may be put in place to prevent use of such mule account, by requiring persons who trade to demonstrate their financial capacity to trade. Where manipulation is done using such front entities/ mule accounts, the persons who are responsible for creating such accounts and directly or indirectly providing them funds, also need to be held accountable for such manipulation.”

(emphasis supplied)

144. In the case of Mahavirsingh N. Chauhan and Ors. vs. SEBI (Appeal no. 393 of 2018), order dated October 18, 2019, Hon’ble SAT has held:

“18.... We are of the opinion that by renting their demat account, trading account etc., the appellants were concealing the identity of the fraudster and, thus, were acting not only in concert but in connivance with the said fraudster. The appellants cannot, thus, escape from the liability of debarment and the wrongful gains made by them. “

145. In the matter of Dhananjay Kumar vs. SEBI (Appeal No. 316 of 2022) decided on June 28, 2022 Hon’ble SAT held that,

".....These transactions have not been disputed by the appellant except alleging that he was unaware and that the account was fraudulently used by these entities.

9. We find that in this regard the appellant himself stated that he noticed unauthorized transaction in January and February 2015 but did nothing in this regard and only in July 9, 2021 he lodged a complaint. No reason has been given as to why he could not initiate any steps earlier.

10. We also find that the alleged transactions have not been disputed by the appellant. ...

11. The appellant admits that he opened the trading account and in good faith gave the relevant details, blank cheque books to one Mr. Avinash Kumar Rai who allegedly made fraudulent transactions from his saving bank account. Be that as it may, the fact remains that at the end of the day the appellant is responsible for such act."

146. In this regard, it appears that the mule accounts (Noticees 6 to 9, 11, 12, 15 to 17) were used as a deliberate tactic in an attempt to bypass the automated surveillance systems of the Exchanges and SEBI. This practice helps the wrong doers to conceal their identity behind a name lending account holders, and in return, the name lenders may receive gratification with minimal effort.

(C) Defense of employee of arrangers and mule account owners

147. I note that the facts of the case have brought out that accounts of Ms. Dharini, Ms. Rekha, Ms. Bharti, M K B Bespoke Audio General, Mr. Nishil, Olga Trading Pvt. Ltd., Mr. Bhavin, Ms. Rupal and Visa Capital Partners (Noticees 6 to 9, 11, 12, 15, 16 and 17) were used as a mule. The facts have also brought out that certain Noticees accepted money, in exchange for lending the account. Nevertheless, all the aforesaid Noticees have admitted that they willfully lent their accounts for use by third parties. This proves that such accounts were "knowingly" lent. I find that no Power of Attorney (POA) has been provided in support of this apparently "legal" lending of account. Further, some amount of ownership over the accounts (by reviewing statements, providing margin etc.) and payment of taxes does not wash away the fraudulent nature of the act. Infact, on a joint reading of PFUTP Regulations and the Report on FMC, it is clear that the intention of the law is to hold both the lender of account / front entity and the actual person committing the fraud, to be liable.

148. The Kurani Group (Noticees 5 to 10) have claimed that Mr. Prijesh (Noticee 5) had no connection with the specific entities whose trading accounts were arranged by Mr. Sumit and Mr. Pranav. In this regard, I find that proving a direct acquaintance or relationship between Mr. Prijesh and the mule account owners is not required. It is admitted by Mr. Prijesh that he used the said accounts to trade. It has been discussed in the previous

paragraphs how the defense of Mr. Prijesh that he traded in such accounts based on his own knowledge and research, has not been demonstrated and that the trades in the mule accounts are in the nature of front running trades. In view of the above, the fact that the mule accounts were used as instruments in the fraudulent scheme with the connecting role played by Mr. Sumit and Mr. Pranav, show collusive arrangement between Mr. Prijesh, Mr. Sumit, Mr. Pranav and mule account owners. Nevertheless, I note that there are WhatsApp chats available on record which show that Mr. Prijesh was in direct contact with the IT personnel of MSBPL (where Mr. Nishil / Noticee 11 is a director) and WBPL (where Mr. Sunil / Noticee 18 is a director), for resolving technical issues with respect to the terminals of the above brokers. It has been established above how terminals of MSBPL and WBPL were used to place the front running trades. Thus, I find that Mr. Prijesh cannot plead ignorance to the identity of mule account owners when he was using the IT services of the very same owners.

149. The Kurani Group (Noticees 5 to 10) have further contended that Noticees 6 to 8 were merely mule account holders not in receipt of NPI and that no specific allegation exists against Mr. Bindesh (Noticee 10) regarding possession of UPSI, communication with Axis MF, or execution of trades. Mr. Nishil (Noticee 11) and Olga Trading Pvt. Ltd. and its directors (Noticees 12 to 14) similarly deny knowledge or participation, asserting that access to accounts / terminals was given to Mr. Pranav (Noticee 3) for legitimate trading, and that they were unaware that Mr. Prijesh (Noticee 5) executed trades. Mr. Bhavin and Ms. Rupal (Noticees 15 and 16) argue they merely authorized Mr. Pranav to manage their accounts without payment and complied with margins / contract notes / tax. The Jajoo Group (Noticees 17 to 21) has argued that they only provided remote ODIN installation and IT support to Mr. Prijesh as a normal market practice and that overseas trading / device changes does not establish connection with Mr. Prijesh.

150. Mr. Nishil, Olga Trading Pvt. Ltd. and its directors, Mr. Bhavin, Ms. Rupal and the Jajoo Group (Noticees 11 to 21) have contended that they lack any direct physical, financial, or informational nexus with the primary scheme operators being Mr. Viresh, Mr. Sumit and Mr. Prijesh (Noticees 1, 2, and 5). Specifically, Mr. Nishil, Olga Trading Pvt. Ltd. and its directors, and Mr. Bhavin and Ms. Rupal argue that the Interim Order cum SCN itself attributes no possession of confidential data, or execution of trades, or direct funding from

Mr. Viresh to them. Similarly, the Jajoo Group (Noticees 17 to 21) submits that they were entirely unaware of any front running instructions, having merely permitted their terminal to be operated by a third party under an informal, commercial profit-sharing arrangement, and argue that such an arrangement cannot be used as a legal basis to impute knowledge of an underlying fraudulent design.

151. In this regard, I find that Mr. Nishil, Mr. Bhavin, Ms. Rupal Shah and the Jajoo Group (Noticees 11, 15 to 21) cannot absolve themselves of their responsibility for misuse of accounts by Mr. Prijesh (Noticee 5) by merely stating that they did not know the purpose for which the accounts were used. These Noticees are part of the entire fraudulent scheme. Mr. Nishil (Noticee 11) has submitted that in May, 2022, he became aware of the illegal scheme. Mr. Bhavin in his statement dated August 16, 2022, has stated that Mr. Pranav advised him to open his and his wife's trading account with MSBPL *"on the basis of my requirement with him to convert my cash income in to legitimate accounted income. He told me that large intraday trades will be placed in the aforesaid trading accounts which will generate huge profits. In lieu of the profits generated in my trading accounts, I transferred cash to accounts specific by Pranav Vora"*. Thus, I find that even if Mr. Bhavin did not know the precise modality of front running, his knowledge of the promise of abnormal profits and his admitted objective of converting unaccounted money into accounted funds, are sufficient facts to infer his conscious participation or at least facilitation of the fraudulent trading scheme. Mr. Suresh (part of the Jajoo Group -Noticees 17 to 21) has admitted that in February, 2022, he noticed the disproportionate profits through intraday day trades in their accounts which led them to revoke the access given to Mr. Darshan (brother of Mr. Sumit). Noticees 11, 15 to 21 have claimed that they are experienced in the securities market and that their livelihood has been affected due to the directions imposed vide the Interim Order cum SCN. In the same breath, they cannot deny that they had no indication of the activities in their trading account. An entity cannot benefit from the opacity created by his own arrangement, and simultaneously use such opacity as a shield against liability.

152. I note that the three essential ingredients for establishing the charge of front running as per regulation 4(2)(q) of the PFUTP Regulations are: (i) possession of non-public

information; (ii) such information needs to be in relation to a substantial impending transaction in securities; and (iii) trading in such securities. To say that there must be a direct connection or financial transaction between the information carrier(s) and the front runner(s), is mischievous. as such information is often transmitted through opaque channels (encrypted apps, third-party messengers, viewing a shared screen, cash transfers etc.). The perpetrators of front running often use a mule account specifically because they have no prior connection to the information carrier / transmitter. The lack of connection / nexus between the entities in the present case is by design. The liability under regulation 4(2)(q) is attached to the “possession” of non-public information irrespective of the layers in between the source and the trader. In the case of SEBI and Ors. vs. Kanaiyalal Baldevbhai Patel and Ors. (2017)15SCC1, decision dated September 20, 2017, Hon’ble Supreme Court has held that:

“The volume; the nature of the trading and the timing of the transactions in question can leave no manner of doubt that Kanaiyalal Baldevbhai Patel and Anandkumar Baldevbhai Patel had acted in connivance with Dipak Patel to encash the benefit of the information parted with by Dipak Patel to them and, therefore, they are parties to the ‘fraud’ committed by Dipak Patel having aided and abetted the same.”

Thus, a culmination of various factors such as proximity of time, the unusualness of the trade, the volume etc helps in determining whether a particular trading activity constitutes front running.

153. Mr. Bhavin and Ms. Rupal (Noticees 15 and 16) have relied on the judgment of Hon'ble Supreme Court in Balram Garg (supra) to submit that relation to a connected person cannot by itself be a foundational fact to draw an inference. I note that the above dictum of Hon'ble SC was in the context of the charge of insider trading. It was also in the context of a finding that there was a breakdown of ties between the parties, and therefore, their relationship cannot be used to come to a conclusion that they were in possession of or had access to unpublished price sensitive information. However, in the present case, the charge is of front running. A charge of front running requires “possession” of non-public information and not communication. Further, in insider trading, unlike front running, the unpublished information which is used to benefit, generally exists for a longer duration

before it is made public than the trade related information of big clients. Due to the differences in duration of existence of the unpublished / non-public information, while someone can coincidentally buy / sell shares before a price-sensitive event for legitimate reasons and claim a defense from insider trading, it is improbable to coincidentally buy / sell shares seconds and minutes before a specific and large institutional order and claim defense from the charge of front running.

154. Thus, the mule account owners provided the essential instrument through which the front running trades were executed and camouflaged, which shows that they were vital to the entire fraudulent structure and were part of a fraudulent scheme. In this regard, regulations 3(a)-(d) and 4(1) of the PFUTP Regulations, prohibits a “*device, scheme or artifice to defraud*” in connection with dealing in securities, irrespective of non-invocation of regulation 4(2)(q) of PFUTP Regulations.

C.2.6 What is the illegal gain liable to be disgorged, if any, and what other remedial directions are to be issued with respect to the Noticees?

155. The Interim Order cum SCN alleges that in the present case the wrongful gains generated from the mule accounts of Noticees 6,7,8,9,11,12,15,16 and 17 is as follows:

Table 16

Noticee no.	Noticee Name	Wrongful Gains (in INR)
11	Nishil Surendra Marfatia	3,08,28,714.16
12	Olga Trading Pvt. Ltd.	3,01,08,853.61
15	Bhavin Shah	1,98,38,702.85
16	Rupal Bhavin Shah	1,41,85,265.60
Subtotal of Marfatia Group		9,49,61,536.22
17	Visa Capital Partners	14,07,03,340.80
Subtotal of Jajoo Group		14,07,03,340.80
6.	Dharini Kurani	2,79,23,321.24
7.	Rekha Kurani	1,40,36,644.95
8.	Bharati Navnit Godaya	96,65,397.50
9.	MKB Bespoke Audio General	1,82,99,428.25
Subtotal of Kurani Group		6,99,24,791.94
Total for the aforesaid Noticees		30,55,89,668.96

156. Further, Table no. 15 of the Interim Order cum SCN mentions the specific amounts to be impounded from the respective Noticees in whose accounts the front running trades were executed, along with joint and several liabilities. The same is reproduced below:

Table 17

Noticee no.	Trading Account	Liability of Noticee	Wrongful Gains (in INR)
11	Mr. Nishil Surendra Marfatia	1. Mr. Viresh Joshi, 2. Mr. Sumit Desai, 3. Mr. Prijesh Kurani, 4. Mr. Pranav Vora, 5. Mr. Vaibhav Pandya; and 6. Mr. Nishil Surendra Marfatia	3,08,28,714.16
12	Olga Trading Pvt. Ltd.	1. Mr. Viresh Joshi, 2. Mr. Sumit Desai, 3. Mr. Prijesh Kurani, 4. Mr. Pranav Vora, 5. Mr. Vaibhav Pandya, 6. Olga Trading Pvt. Ltd., 7. Mr. Krunal Khamar; and 8. Mr. Kamlesh Arjundas Dhanrajani	3,01,08,853.61
15	Mr. Bhavin Shah	1. Mr. Viresh Joshi, 2. Mr. Sumit Desai, 3. Mr. Prijesh Kurani, 4. Mr. Pranav Vora, 5. Mr. Vaibhav Pandya; and 6. Mr. Bhavin Shah	1,98,38,702.85
16	Ms. Rupal Bhavin Shah	1. Mr. Viresh Joshi, 2. Mr. Sumit Desai, 3. Mr. Prijesh Kurani, 4. Mr. Pranav Vora, 5. Mr. Vaibhav Pandya; and 6. Ms. Rupal Bhavin Shah	1,41,85,265.60
17	Visa Capital Partners	1. Mr. Viresh Joshi, 2. Mr. Sumit Desai, 3. Mr. Prijesh Kurani, 4. Mr. Vaibhav Pandya, 5. Visa Capital Partners, 6. Mr. Suresh Jajoo, 7. Ms. Vimla S Jajoo, 8. Mr. Ankit Jajoo; and 9. Ms. Sheepra Sumeet Kabra	14,07,03,340.80
6	Ms. Dharini Kurani	1. Mr. Viresh Joshi, 2. Mr. Prijesh Kurani; and 3. Ms. Dharini Kurani	2,79,23,321.24
7	Ms. Rekha Kurani	1. Mr. Viresh Joshi, 2. Mr. Prijesh Kurani; and 3. Ms. Rekha Kurani	1,40,36,644.95
8	Ms. Bharati Navnit Godaya	1. Mr. Viresh Joshi, 2. Mr. Prijesh Kurani; and	96,65,397.50

Noticee no.	Trading Account	Liability of Noticee	Wrongful Gains (in INR)
		3. Ms. Bharati Navnit Godaya	
9	MKB Bespoke Audio General	1. Mr. Viresh Joshi, 2. Mr. Prijesh Kurani, 3. MKB Bespoke Audio General; and 4. Mr. Bindesh Kurani	1,82,99,428.25
Total			30,55,89,668.96

157. At the outset, I note that exact details are not available on record regarding the apportionment of unlawful gains amongst the Noticees. Several Noticees, in their statements, have admitted that the payment out of the said illegal activity was undertaken in cash. Accordingly, the profit generated has been quantified based on the trade logs, as the dealings were structured outside normal banking channels.

Mr. Viresh Joshi, Mr. Prijesh Kurani, Ms. Dharini Kurani, Ms. Rekha Kurani, Ms. Bharti Godaya, M K B Bespoke Audio General and Mr. Bindesh Kurani (Noticees 1 and 5 to 10)

158. I note from the Interim Order cum SCN that since Mr. Viresh (Noticee 1) and Mr. Prijesh (Noticee 5) did not trade in their own demat accounts, but rather acted as the key perpetrators of the scheme, by being the information carrier and user of broking terminals and mule accounts. Accordingly, they have been made jointly and severally liable with each Noticee.

159. The present matter discloses an unusually elaborate fraudulent scheme. The facts indicate that Mr. Viresh engaged Mr. Sumit and Mr. Pranav to procure proprietary accounts for use at his instance, coordinated with Mr. Prijesh, used coded identities and mule accounts, drafted an email for Mr. Bhavin denying the misuse of his demat account, routed unlawful gains in cash through accountants and agents, and created a company in Dubai for routing such gains abroad. The gravity of the matter is further aggravated by the fact that Mr. Prijesh, the co-conspirator has been repeatedly found by SEBI to be in violation in other matters involving PFUTP Regulations, and that the total unlawful gain identified in this Order is significantly higher than in past precedents.

160. I note that since Mr. Viresh being the information carrier has not traded in his own account, disgorgement cannot be computed on a trade-by-trade basis against him. But, this cannot be a reason for him to not be held liable. In a front running scheme, the information carrier is the indispensable link through which the NPI was transmitted and without which the unlawful gains could not have been made. It has been discussed in detail above how opaque arrangements outside of regular banking channels existed for Mr. Viresh's / Noticee 1's benefit. The benefit accrued to Mr. Viresh cannot be reasonably severed. Therefore, the only effective and enforceable disgorgement remedy against him is to fasten liability to him jointly and severally along with the arrangers of the mule accounts, the executioner and the owner of the mule accounts. Similarly, I note that Mr. Prijesh (Noticee 5), is the principal participant who controlled the order placement in the mule accounts. He has managed to make profits in the mule accounts without any profit appearing in his own name. Since no material has been put forth before me as to how much he gained from this process, the only feasible disgorgement remedy is to hold him jointly and severally liable with the information carrier, the arrangers of the mule accounts, and the mule account owners.

161. Mr. Viresh (Noticee 1) has contended that since the other Noticees have deposited the disgorgement amount as directed under the Interim Order cum SCN, it indicates that funds have not flown to Mr. Viresh. For this purpose, Mr. Viresh has relied upon the case of Mahavirsingh N. Chauhan (*supra*) to submit that no material has been brought forward which shows that benefit was shared with him. Accordingly, he has claimed that there exists no basis for imposing joint and several liabilities upon him.

162. In this regard, I find that it would be unreasonable to assume that a person who operates through coded identities and third-party mule accounts would route the proceeds of the unlawful activity directly into his own bank account. It has been discussed in the preceding paragraphs, how the family members of Mr. Viresh were involved in creating a company in Dubai which acted as offshore entity to receive funds from the front running activity. Additionally, Mr. Viresh in his Second Statement (dated August 26, 2022) and Third Statement (dated November 16, 2022) has admitted to receiving profits generated through the mule accounts in cash *inter alia* via Mr. Sumit. Mr. Sumit in his statement has

also submitted that he used to transfer the gains made from the front running activity in cash. The above three statements are corroborated by Mr. Pranav's / Noticee 3's statement wherein he has deposed that the profit from the scheme was transferred from others to Mr. Sumit through Angadias. Thus, the record demonstrates that Mr. Viresh was already using cash, Angadias, and an offshore entity to obscure the origin of front running gains.

163. Mr. Viresh (Noticee 1) has further contended that the Interim Order cum SCN fails to establish any money trail from the bank account of Vintage Capital Investment LLC to Mr. Viresh. Regarding the above, I note that the total amount found in the bank account of Vintage Capital Investment LLC (approx. INR 11.62 crores) and as discussed in the WhatsApp chats between Mr. Prijesh (Noticee 5) and his brother (INR 12 crores), are similar. Infact, the two credits received in the bank account of Vintage Investment Capital LLC on April 05, 2022 of AED 3,80,000 and April 09, 2022 of AED 6,45,000, exactly match the amounts discussed in images 20 and 21 of the Interim Order cum SCN. Mr. Viresh has not explained how the two credit amounts on April 05, 2022 and April 09, 2022 match exactly with the content of the WhatsApp conversation. The actual movement of funds can be found in the bank account statement of Vintage Capital Investment LLC shared by Securities and Commodities Authority UAE (SCA UAE). I also note that Mr. Sumit and Mr. Pranav (Noticees 2 and 3) have deposed before SEBI that the profit made through the alleged scheme was transferred from other accounts to them through cash / Angadias.

164. As explained previously, Angadias are couriers. In this regard, I note that in the case of Vishal Mehta vs. Income Tax Officer, ITAT, Rajkot Bench, order dated January 07, 2025, the Learned Commissioner of Income Tax Departmental Representative (Ld. CIT-DR) for the Revenue⁸ has submitted that:

"The difference between Angadias and hawala operators are that while Angadias physically transfer the item, in hawala system, there is value transfer without physical movement of funds across borders.

...

⁸ <https://itat.gov.in/public/files/upload/1737378986-T8ZCVQ-1-TO.pdf>

While real Angadiya earn from service charges for courier, these hawala operators/ money lenders earn commission based on the quantum of cash/valuables/ precious metals they transport.

...

The “Angadiya” is a very common term in Gujarat. Another common term related to monetary transactions is “shroff.” While “Angadiya services” and “shroff services” are comparatively accounted transactions, the enforcement agencies also come across the term ‘hawala’ which indicates a complete unaccounted transaction of cash. The concern related to enforcement agencies is the veil of Angadiya and shroff to conduct unaccounted hawala business. In a most daring manner, hundreds of Bank-accounts have been used by vested groups to transfer and disseminate hundreds of Crores of unaccounted money, in the garb of cheque discounting/ cash discounting/ shroff and Angadiya business.”

This reference is not treated as determinative in the present proceedings and is cited only to explain the difference between Angadiyas and hawala operators and why, in cases involving cash based channels, the absence of a clean banking trail is not conclusive. Accordingly, Mr. Viresh’s / Noticee 1’s insistence on an exact matching of amounts in the bank account of Vintage Capital Investment LLC with the amounts discussed in the WhatsApp conversations, is misconceived. Therefore, the money trail in the present case must be assessed through circumstantial evidence and corroboration.

165. Mr. Viresh (Noticee 1) has also submitted that SEBI has not brought forward any loss incurred by the Big Client to order disgorgement. In this regard, in the case of Karvy Stock Broking Ltd. vs. SEBI (Appeal no. 6 of 2007), decision dated May 02, 2008, Hon’ble SAT has held that:

“...In commercial terms, disgorgement is the forced giving up of profits obtained by illegal or unethical acts. It is a repayment of ill-gotten gains that is imposed on wrongdoers by the courts. Disgorgement is a monetary equitable remedy that is designed to prevent a wrongdoer from unjustly enriching himself as a result of his illegal conduct. It is not a punishment nor is it concerned with the damages sustained by the victims of the unlawful conduct.....”

Thus, it is not only the loss avoided that may be disgorged but also wrongful gain made by Noticees. The intention is to deprive the wrong-doers of the ill-gotten gains.

166. The Kurani Group (Noticees 5 to 10) have submitted that no further directions are necessary as the wrongful gains have already been deposited. I note that disgorgement is restitutionary in nature. Penalties are punitive and are aimed at deterrence. In the facts and circumstances of the present case, it would be inappropriate to confine the directions solely to restitutionary measures

167. In view of the above, I find Mr. Viresh and Mr. Prijesh (Noticees 1 and 5) are liable for disgorgement of unlawful gains made in the accounts of the Kurani Group (Noticees 6,7,8,9), the Marfatia Group (Noticees 11,12,15,16) and the Jajoo Group (Noticee 17). Ms. Dharini, Ms. Rekha, Ms. Bharti and M K B Audio General (Noticees 6 to 9) are responsible for disgorging the illegal gain made in their respective accounts. Further, Mr. Bindesh (Noticee 10) being the director of M K B Audio General is jointly and severally liable for the wrongful gain made in the account of M K B Audio General (Noticee 9).

Mr. Sumit Desai, Mr. Pranav Vora and Mr. Vaibhav Pandya (Noticees 2,3 and 4)

168. In the Interim Order cum SCN, Mr. Sumit, Mr. Pranav and Mr. Vaibhav (Noticees 2, 3 and 4) have been made jointly and severally liable for trades in the accounts of the Marfatia Group (Noticees 11, 12, 15 and 16) as admittedly they had arranged the said accounts. Further, Mr. Sumit and Mr. Vaibhav (Noticee 2 and 4) have also been made jointly and severally liable for trades in the account of Visa Capital Partners (Noticee 17), as that account was arranged through Mr. Sumit's / Noticee 2's brother.

169. I note that even though investigation has not found any front running activity in the account of Mr. Sumit and Mr. Pranav, they have played a vital part in the fraudulent scheme by arranging the mule demat accounts of Noticee 11, 12, 15, 16 and 17 for front running. From the WhatsApp conversations, Mr. Sumit, Mr. Pranav and Mr. Vaibhav are also seen corresponding with Mr. Prijesh (Noticee 5) to facilitate the front running. Admittedly, Mr. Sumit and Mr. Pranav have also played a role in transmitting the illegal funds arising from such activity. Mr. Sumit, Mr. Pranav and Mr. Vaibhav acted in concert as part of a single

front running arrangement. In such an integrated scheme, the unlawful gains are the product of collective conduct and the role of “arrangers” of mule accounts or facilitators is infrastructural and enabling. Consequently, their contribution to the illegal gains generated cannot be severed or apportioned. Therefore, I find it appropriate to issue disgorgement direction qua Mr. Sumit, Mr. Pranav and Mr. Vaibhav (Noticees 2, 3 and 4) as well.

170. Mr. Sumit has contended that SEBI has not provided the computation of the alleged illegal gains. In this regard, I note that Annexure 7 of the Investigation Report contains the details of the alleged front running trades. Paragraph 82 of the Interim Order cum SCN clearly states that for the purpose of calculation of wrongful gains, number of scrip days where the Noticees have day traded and commonly traded with the Big Client and have earned a positive square off of at least INR 1 or more, have been taken into consideration. Thus, on a conjoint reading of paragraph 82 of the Interim order cum SCN with Annexure 7 of the Investigation Report, I find that the computation of the alleged wrongful gains has been adequately explained. In absence of any specific objection to the computation of the alleged illegal gains, I do not find any merit in this argument.

171. Mr. Pranav has cited certain SEBI orders to submit that as he has already undergone debarment of three years since the Interim Order cum SCN was passed, no further period of debarment should be directed. In this regard, I note that since directions under section 11B of the SEBI Act are remedial in nature and not punitive, the ends of justice would be met by adjusting the final restraints against the period of prohibition already suffered.

Mr. Nishil Marfatia, Olga Trading Pvt. Ltd., Mr. Krunal Khamar, Mr. Kamlesh Dhanrajani, Mr. Bhavin Shah, Ms. Rupal Shah, Visa Capital Partners, Mr. Suresh Jajoo, Ms. Vimla Jajoo, Mr. Ankit Jajoo and Ms. Sheepra Sumeet Kabra (Noticees 11 to 21)

172. I note that the demat accounts of Mr. Nishil (Noticee 11), Olga Trading Pvt. Ltd. (Noticee 12), Mr. Bhavin (Noticee 15), Ms. Rupal (Noticee 16) and Visa Capital Partners (Noticee 17) were used by Mr. Viresh and Mr. Prijesh with the help of Mr. Sumit and Mr. Pranav

for the purpose of front running. Mr. Krunal and Mr. Kamlesh (Noticees 13 and 14) being the directors of Olga Trading Pvt. Ltd. during the Investigation Period, have been made jointly and severally liable for the unlawful gain made in the said account. Similarly, Mr. Suresh, Ms. Vimla, Mr. Ankit and Ms. Sheepra (Noticees 18 to 21) being partners in Visa Capital Partners (Noticee 17) have been made jointly and severally liable for the illegal gain made in its account.

173. I find that the mule account owners cannot be treated as passive or innocent participants when they have knowingly permitted their demat account to be used by third parties for execution of impugned trades. Their accounts provided the instrument through which the impugned trades were concealed. This enabled the real operators to mask beneficial control and avoid detection. Where the record shows conscious account lending, receipt of consideration, third party funding/operation, or no credible explanation for such use, the account holder becomes a facilitator of the fraudulent scheme.

174. I note that apart from being mule account owners / account lenders, Mr. Nishil and Mr. Suresh (Noticees 11 and 18) were also in control of their respective SEBI registered broking companies, which lent the trading terminal to Mr. Prijesh for the front running activity. Being SEBI registered intermediaries, the aforesaid individuals cannot claim ignorance of the regulatory risks inherent in lending trading terminals to third parties. By virtue of their position and experience, they were aware or ought to have been reasonably aware, that permitting such use creates a serious risk of misuse for manipulative trading practices, and directly undermines market integrity and surveillance controls. Their conduct is therefore more egregious than that of an ordinary mule account holder, as they misused not only the market access itself but also the responsibility that accompanies being a regulated market intermediary. This aggravates their culpability and warrants a stricter view in the matter of directions and penalty.

175. A common submission of the Marfatia Group and the Jajoo Group and the directors and partners associated with the said accounts (Noticees 11 to 21) is that they did not receive any unlawful gains, or that the exact share of gains received by them has not been established.

176. I do not find merit in these submissions. The record shows that the accounts / terminal access of the aforesaid Noticees were made available for execution of the impugned trades. In particular, Mr. Krunal (Noticee 13) has admitted that Mr. Pranav paid INR 50,000 per month in cash to Mr. Krunal and Mr. Kamlesh for lending the account of Olga Trading Pvt. Ltd. Similarly, Mr. Bhavin and Ms. Rupal (Noticees 15 and 16) have submitted during the hearing that they retained the trading gains, while Mr. Pranav earned brokerage / commission from the high volume trades executed through their accounts. These facts show that the accounts were not passively or unknowingly used, but were made available under commercial arrangements.

177. The Jajoo Group has argued that the disgorgement must be restricted to net gains after setting off expenses / losses. Olga Trading Pvt. Ltd. and its directors (Noticees 12 to 14) have submitted that the account of Olga Trading Pvt. Ltd. reflected an overall loss, which should be considered.

178. I reject the submission that the disgorgement amount should be reduced by setting off losses or expenses allegedly incurred. The Explanation to Section 11B of the SEBI Act empowers SEBI to direct disgorgement of the wrongful gain made or loss averted by the contravention. It does not contemplate setting off losses or expenses incurred in the course of unlawful trading against the profits made from front running transactions. In this regard, in the order of Hon'ble SAT in the matter of Immix Trade Pvt. Ltd. vs. SEBI and Other Connected Appeals decided on November 10, 2023 the appellants had made a similar contention of computing the losses suffered by them. Hon'ble SAT while dismissing the said contention, held as follows:

68. The appellants have further contended that the respondent has not reckoned the losses (either 'notional losses' or 'actual losses') suffered by the appellants on the sale of shares bought by the appellant during the investigation period. This ground raised by the appellant is devoid of any merit and it is submitted that a manipulator cannot be allowed to set off the loss suffered by him in manipulating the market.

71. It is further submitted that allowing a manipulator to set-off the losses suffered by him while causing manipulation or subsequent to the manipulation, from the disgorgement

amount, would amount to allowing insurance for losses to manipulator. The intention of law in this regard, as enshrined in explanation to Section 11B of SEBI Act is very clear and unambiguous. Explanation to Section 11B of SEBI Act as inserted vide Securities Laws (Amendment) Act, 2014, clearly provides that :-

...

72. A reading of the aforesaid explanation shows that the law envisages disgorgement of profit / loss avoidance, made in violation of securities law, without any set-off of any expenses or loss suffered by the violator. Therefore, the contentions of the appellant that calculation of disgorgement amount should also take into consideration the amount of losses suffered by it is untenable.”

(emphasis supplied)

179. The Jajoo Group and its partners have further argued that that the profits were to be shared in the ratio of 30:70 with Mr. Darshan (brother of Mr. Sumit). Therefore, the impounding or disgorgement should be restricted to that. The claim of the Jajoo Group (Noticees 17 to 21) that profits were shared in a 30:70 ratio with Mr. Darshan is also not acceptable. Mr. Suresh (Noticee 18), in his statement dated May 16, 2022, had stated that the agreement with Mr. Darshan had not been finalized, profits had not been shared, and that Visa Capital Partners (Noticee 17) remained the sole beneficiary of the profits. No bank statements or other evidence have been produced to establish any subsequent transfer of profits to Mr. Darshan, nor has any explanation been offered for the contradictory stand now taken. Therefore, the contention that the Jajoo Group Noticees 17 to 21 retained only 30% of the profits is rejected.

180. Reliance placed by Olga Trading Pvt. Ltd. and its directors (Noticees 12 to 14) on SEBI's order dated April 30, 2026 in Prijesh Kurani & Ors. is misplaced. In the Prijesh Kurani & Ors case, no monetary penalty was imposed on the mule account owners. That order was based on its own facts. Moreover, the relevant noticees therein were made jointly and severally liable for disgorgement and were also debarred. Therefore, the said order does not *ipso facto* advance their defense.

181. The Jajoo Group (Noticees 17 to 21) has contended that if the impounded amounts were permitted to be placed in a fixed deposit instead of savings account or escrow during the pendency of the present proceedings, it would have earned higher interest. According to them, they have suffered a loss on account of the lower interest accrued. In this regard, I note that object of impounding unlawful gains, is to secure the funds pending final determination. It is not meant to serve as an interest bearing investment for any Noticee's benefit.

D. CONCLUSION

182. In the case of Mr. Nilesh Shah & Ors. vs. SEBI (2026 INSC 681), decision dated July 13, 2026, Hon'ble Supreme Court has observed that:

"The ordinary intent behind investments in mutual funds is stability and security coupled with profits...."

Thus, mutual funds are managed for the benefit of the unit holders. Any conduct that exploits confidential information regarding the implementation of schemes undermines that arrangement, as it places private gain ahead of the fund execution quality and interest of the investors. When a front runner trades ahead of a large buy or sell order of the Big Client, the front runner uses the Big Client's demand or supply for the purpose of liquidity and may worsen the price at which the Big Client is able to trade. The economic consequence is borne by the mutual fund / scheme itself, and therefore, passed on to the unit holders through reduced portfolio value or diminished returns. In the context of a mutual fund, due to front running of trades, confidence in the integrity of fund management, price discovery, and the market as a whole is eroded.

183. It has been admitted by Mr. Viresh (Noticee 1), in his statements recorded before SEBI, that taking advantage of his position as the Chief Dealer with the Big Client, he passed on the non-public trade related information of the Big Client with Mr. Prijesh (Noticee 5). Mr. Prijesh played a central role in the scheme by placing the front running trades from Dubai (as corroborated by MAC and IP data) and facilitated the formation of the offshore leg where deposits corresponding to the unlawful gains were found. Mr. Prijesh also

placed trades in the account of his family members (Noticees 6 to 8), and in the account of a firm (M K B Bespoke Audio General) in which his brother (Mr. Bindesh) is a director. Mr. Viresh was connected with Mr. Prijesh as per his own statements, the number saved in Mr. Prijesh's mobile device, CDR analysis, and the incorporation of an offshore company in which Mr. Viresh's / Noticee 1's family members held a majority shareholding.

184. Mr. Viresh (Noticee 1) approached Mr. Sumit and Mr. Pranav (Noticees 2 and 3) to arrange mule accounts. Mr. Sumit and Mr. Pranav arranged the mule accounts of the Marfatia Group and the Jajoo Group (Noticees 11,12,15,16 and 17), shared login credentials of broker terminals and facilitated transfer of funds generated from this activity. Mr. Vaibhav (Noticee 4) provided logistical support, including sharing login credentials and seeking trade details.

185. Mr. Nishil (Noticee 11) provided the broker terminal and his demat account to be used for the purpose of front running. Infact, Mr. Nishil even instructed his IT employee to assist Mr. Prijesh in the case of any login or access issues while using the broker terminal. The Jajoo Group (Noticee 18 to 21) had given access to the trading account of Visa Capital Partners (Noticee 17) in which they were partners to Mr. Sumit along with the broker terminal of a company in which Mr. Suresh (Noticee 18) was a director. Olga Trading Pvt. Ltd., Mr. Bhavin Shah and Ms. Rupal Shah (Noticees 12, 15 and 16) had simply lent their accounts to be used for earning some profit.

186. In light of the findings recorded in the previous paragraphs, I conclude that Mr. Viresh, Mr. Sumit, Mr. Pranav, Mr. Vaibhav and Mr. Prijesh (Noticees 1 to 5), along with the other Noticees, namely, the Kurani Group apart from Mr. Prijesh (Noticees 6 to 10), the Marfatia Group (Noticees 11 to 16) and the Jajoo Group (Noticees 17 to 21) colluded to execute a scheme to front run the orders of the Big Client. With respect to the Noticees which lent their trading terminal and / or their trading accounts, I find that whether they had specific knowledge of who ultimately executed the front running trades is not material. Being SEBI registered intermediaries and / or experienced market professionals, they cannot plead ignorance to the serious risk inherent in third-party use. The material fact is that they facilitated the misuse in a manner that compromised market integrity. The inter-se

connections amongst the Noticees, the statements recorded, the consistent pattern of pre-positioning and squaring off, the continuous profits, mule accounts used, offshore structures and the coded identities used, collectively show that this scheme was well thought-out and executed to evade early detection.

187. Thus, I find that Mr. Viresh, Mr. Sumit, Mr. Pranav, Mr. Vaibhav and Mr. Prijesh (Noticees 1 to 5) have violated section 12A (a), (b), (c) and (e) of the SEBI Act and regulations 3 (a), (b), (c) and (d), 4(1) and 4 (2)(g) of the PFUTP Regulations. Further, the Kurani Group apart from Mr. Prijesh (Noticees 6 to 10), the Marfatia Group (Noticees 11 to 16) and the Jajoo Group (Noticees 17 to 21) have violated section 12A(a), (b), (c) and (e) of the SEBI Act and regulations 3(a),(b),(c) and (d), 4(1) of the PFUTP Regulations.

Disgorgement direction with respect to all the Noticees

188. Hon'ble SAT in the matter of SRSR Holdings Ltd. vs. SEBI and Other Connected Appeals decided on February 02, 2023, has held:

“91... All persons who aid or direct or join in the committal of a wrongful act, are joint tort-feasors. To constitute a joint liability, the act complained of must be joint and not separate. Where two or more persons combine together to commit an act, it is a joint action which amounts to a tort. The liability of joint tort-feasors i.e. the liability that an individual or business either shares with other tort-feasor or bears individually without the others. Thus, joint tort-feasors are jointly and severally liable for the whole damage resulting from the tort...”

92... It must be shown that they acted concurrently or jointly with a common intention.”

189. I find that all the demat account owners are responsible to disgorge the illegal gain made in their respective accounts i.e, Ms. Dharini (Noticee 6), Ms. Rekha (Noticee 7), Ms. Bharati (Noticee 8), Mr. Bindesh (Noticee 10) on behalf of M K B Bespoke Audio General (Noticee 9), Mr. Nishil (Noticee 11), Mr. Krunal and Mr. Kamlesh (Noticees 13 and 14) on behalf of Olga Trading Pvt. Ltd. (Noticee 12), Mr. Bhavin (Noticee 15), Ms. Rupal (Noticee 16) and Mr. Suresh, Ms. Vimla, Mr. Ankit and Ms. Sheepra (Noticees 18 to 21) being

partners of Visa Capital Partners (Noticee 17). Further, Mr. Viresh and Mr. Prijesh (Noticees 1 and 5), being the information carrier and the operator of the trading accounts, respectively, are jointly and severally liable for trades in the above accounts. Mr. Sumit and Mr. Pranav (Noticee 2 and 3) arranged the mule accounts of Mr. Nishil (Noticee 11), Olga Trading Pvt. Ltd. (Noticee 12), Mr. Bhavin (Noticee 15) and Ms. Rupal (Noticee 16), secured broker trading terminals and facilitated movement of illegal funds, therefore, they been made jointly and severally liable of the unlawful profit made in the said accounts. Mr. Sumit is also made jointly and severally liable for the illegal gain made in the account of Visa Capital Partners (Noticee 17), as the said account was made a mule account with the help of his brother.

190. I note that there is no material on record to granularly determine the manner and proportion in which profits were shared between the Noticees. In view of the above (including the findings on the pre-pages), their liabilities are computed as follows:

Table 18

Noticee no.	Trading Account	Liability of Noticee	Wrongful Gains (in INR)
11	Mr. Nishil Surendra Marfatia	1. Mr. Viresh Joshi, 2. Mr. Sumit Desai, 3. Mr. Prijesh Kurani, 4. Mr. Pranav Vora, 5. Mr. Vaibhav Pandya, and 6. Mr. Nishil Surendra Marfatia	3,08,28,714.16
12	Olga Trading Pvt. Ltd.	1. Mr. Viresh Joshi, 2. Mr. Sumit Desai, 3. Mr. Prijesh Kurani, 4. Mr. Pranav Vora, 5. Mr. Vaibhav Pandya, 6. Olga Trading Pvt. Ltd., 7. Mr. Krunal Khamar; and 8. Mr. Kamlesh Arjundas Dhanrajani	3,01,08,853.61
15	Mr. Bhavin Shah	1. Mr. Viresh Joshi, 2. Mr. Sumit Desai, 3. Mr. Prijesh Kurani, 4. Mr. Pranav Vora, 5. Mr. Vaibhav Pandya, and 6. Mr. Bhavin Shah	1,98,38,702.85
16	Ms. Rupal Bhavin Shah	1. Mr. Viresh Joshi, 2. Mr. Sumit Desai, 3. Mr. Prijesh Kurani, 4. Mr. Pranav Vora,	1,41,85,265.60

Noticee no.	Trading Account	Liability of Noticee	Wrongful Gains (in INR)
		5. Mr. Vaibhav Pandya, and 6. Ms. Rupal Bhavin Shah	
17	Visa Capital Partners	1. Mr. Viresh Joshi, 2. Mr. Sumit Desai, 3. Mr. Prijesh Kurani, 4. Mr. Vaibhav Pandya, 5. Visa Capital Partners, 6. Mr. Suresh Jajoo, 7. Ms. Vimla S Jajoo, 8. Mr. Ankit Jajoo; and 9. Ms. Sheepra Sumeet Kabra	14,07,03,340.80
6	Ms. Dharini Kurani	1. Mr. Viresh Joshi, 2. Mr. Prijesh Kurani; and 3. Ms. Dharini Kurani	2,79,23,321.24
7	Ms. Rekha Kurani	1. Mr. Viresh Joshi, 2. Mr. Prijesh Kurani; and 3. Ms. Rekha Kurani	1,40,36,644.95
8	Ms. Bharati Navnit Godaya	1. Mr. Viresh Joshi, 2. Mr. Prijesh Kurani; and 3. Ms. Bharati Navnit Godaya	96,65,397.50
9	MKB Bespoke Audio General	1. Mr. Viresh Joshi, 2. Mr. Prijesh Kurani, 3. MKB Bespoke Audio General; and 4. Mr. Bindesh Kurani	1,82,99,428.25
Total			30,55,89,668.96

Other directions

191. I note that in several prior front-running matters, *Manish Chaturvedi & Ors.* (order dated December 18, 2020), *Dealers of Reliance Securities Ltd. and other connected entities* (order dated January 30, 2023), *Quest Investment Advisors Pvt. Ltd.* (order dated February 10, 2023), *Banhem Stock Broking Pvt. Ltd. / Ninja Securities Pvt. Ltd.* (order dated March 21, 2024), *Kajal Savla* (order dated May 31, 2024), *Ashish S. Parekh and Others* (order dated January 16, 2026), and *Ashok Maheshwari and Others* (order dated April 27, 2026), SEBI has imposed market-access restrictions ranging from 1 year to 7 years and monetary penalties generally ranging from INR 10 lakh to INR 25 lakh on information carriers and principal actors / masterminds of the schemes.

192. In the present matter, however, the conduct of Mr. Viresh (Noticee 1), the information carrier is even more serious. The illegal gains made through the front running is

substantially higher than those seen in comparable cases. Further, the Big Client as at March 31, 2022 had approximately 1.28 crores investor accounts⁹. The illegal gains involved along with the large investor base, reflects the scale of the market abuse. Mr. Viresh was not merely a passive conduit of information, the material on record shows that he conceived and orchestrated the scheme, identified and coordinated with the executioner (Mr. Prijesh), directed the trading activity, and facilitated routing of wrongful gains through a Dubai based company that appears to have been incorporated to further the scheme and obscure the trail of illicit proceeds. Infact, Mr. Viresh in his statement dated August 26, 2022, when asked about the profit generated through the front running activity has stated that *“Profit sharing ratio was 90% for me and 10% for the arrangers. Considering the tax liability, sometimes, the profit share for me reduced to 60-80%”*. Thus, by his own admission, Mr. Viresh has, on conservative basis, made a profit of approximately INR 18.33 crores through the present illegal front running scheme.

193. Mr. Prijesh’s role also appears more serious than a typical front runner in other cases, because he was not merely placing trades in his own or a single connected account. Mr. Prijesh operated as the offshore execution hub of the scheme. Unlike many front running cases where the front running entity simply receives the NPI of the Big Client and trades, Mr. Prijesh’s role extended to cross-border execution, using multiple connected accounts, coordinating the trading setup, and helping to conceal who was actually controlling and benefiting from the trades. This made him central to both carrying out the scheme and hiding it. Thus, the wider operational role played by Mr. Viresh and Mr. Prijesh (Noticees 1 and 5) materially aggravates their culpability and justifies higher restraint and penalty, when compared with the mule account owners and the arrangers of such mule accounts.

194. Further, I note that as on July 15, 2026, the Noticees in Table 19 below have been found to have violated securities law(s) in other SEBI proceedings (excluding Interim Orders passed, if any):

⁹ https://transact.axismf.com/cms/sites/default/files/Statutory/Abrided%20Financials%202021-22%20-%20Equity.pdf?utm_source=openai

Table 19

Noticee no.	Noticee	PAN	Final orders
3.	Pranav Vora	ACYPV7581R	1. Order in the matter of front running by Prijesh Kurani and Others dated April 30, 2026. 2. Adjudication order in the matter of manipulation in the scrip of SecUR Credentials Limited dated September 03, 2025. 3. Adjudication order in respect of 7 entities in the matter of Alankit Limited. Dated May 22, 2024.
5.	Prijesh Kurani	AIQPK8093D	Order in the matter of front running by Prijesh Kurani and Others dated April 30, 2026.
6.	Dharini Kurani	DAEPK6510G	Order in the matter of front running by Prijesh Kurani and Others dated April 30, 2026.
7.	Rekha Kurani	AQCPK5061H	Order in the matter of front running by Prijesh Kurani and Others dated April 30, 2026.
8.	Bharti Navnit Godaya	AAIPG6387Q	Order in the matter of front running by Prijesh Kurani and Others dated April 30, 2026.
11.	Nishil Surendra Marfatia	ADWPM9452H	1. Adjudication order in respect of 7 entities in the matter of Alankit Limited. Dated May 22, 2024. 2. Adjudication order in the matter of Veronica Production Limited dated June 27, 2022. 3. Adjudication order in respect of Nishil Surendrabhai Marfatia in the matter of dealings in Illiquid Stock Options on BSE
12.	Olga Trading Pvt. Ltd.	AACCO8900C	Adjudication order in the matter of manipulation in the scrip of SecUR Credentials Limited dated September 03, 2025.
15.	Bhavin Shah	AAKPS2177G	Final order in the matter of Mauria Udyog Ltd. and 4 other scrips dated June 30, 2026.
16.	Rupal Bhavin Shah	AUWPS1058E	Final order in the matter of Mauria Udyog Ltd. and 4 other scrips dated June 30, 2026.

With respect to the Noticees listed above, I have considered the repeated violations as an aggravating factor for deciding the debarment period. Since debarment is mainly remedial and preventive, a longer debarment period may be justified where the noticee's conduct or their accounts show repeated disregard of the law and, in turn, pose a greater

risk to integrity of the market and to investors. In particular, in the case of the Kurani Group, I note that Mr. Prijesh has been found in other SEBI orders to have used the accounts of his family members as conduit accounts. Therefore, I find that a longer debarment period qua the Kurani Group accounts is necessary to keep them out of the securities market and to prevent Mr. Prijesh from continuing such conduct.

195. I note that section 15HA of the SEBI Act provides for imposition of penalty in case of fraudulent and unfair trade practices committed by any person. In the present case, it has been found that the Noticees have violated the provisions of the SEBI Act and PFUTP Regulations. Therefore, provisions of Section 15HA is attracted qua the Noticees. For imposition of penalty under the provisions of the SEBI Act, section 15J of the SEBI Act provides as follows:

Factors to be taken into account while adjudging quantum of penalty. 15J. While adjudging quantum of penalty under 15-I or section 11 or section 11B, the Board or the adjudicating officer shall have due regard to the following factors, namely:—

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

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

196. I have in preceding paragraphs, taken note of the wrongful gains made by the Noticees in the extant matter. I note that the entire impounding amount has been deposited. Further, I find that the allegations made in the SCN do not indicate the amount of specific loss caused to investors or group of investors as a result of the default by Noticees. With respect to the repetitive nature of the default, I have already listed in Table 19 above, the relevant Noticees who have exhibited such conduct.

E. DIRECTIONS

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

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

Noticee no.	Noticee	PAN	Period
1.	Viresh Joshi	AAEPJ2694R	7 years
2.	Sumit Desai	ADQPD3744F	5 years
3.	Pranav Vora	ACYPV7581R	5 years
4.	Vaibhav Pandya	APPPP9112C	3 years
5.	Prijesh Kurani	AIQPK8093D	7 years
6.	Dharini Kurani	DAEPK6510G	7 years
7.	Rekha Kurani	AQCPK5061H	7 years
8.	Bharti Navnit Godaya	AAIPG6387Q	7 years
9.	M K B Bespoke Audio General	AANCM1557E	7 years
10.	Bindesh Kurani	ALHPK0623M	7 years
11.	Nishil Surendra Marfatia	ADWPM9452H	3 years
12.	Olga Trading Pvt. Ltd.	AACCO8900C	3 years
13.	Krunal Khamar	BAQPK2530J	3 years
14.	Kamlesh Arjundas Dhanrajani	AGZPD1657P	3 years
15.	Bhavin Shah	AAKPS2177G	3 years
16.	Rupal Bhavin Shah	AUWPS1058E	3 years

Noticee no.	Noticee	PAN	Period
17.	Visa Capital Partners	AAGFV6839A	3 years
18.	Suresh K Jajoo	AAFPJ0070J	3 years
19.	Vimla S Jajoo	ADAPJ8747J	3 years
20.	Ankit Jajoo	AIZPJ2803R	3 years
21.	Sheepra Sumeet Kabra	ADOPJ3255B	3 years

- (ii) It is hereby clarified that while calculating the period of debarment as directed above, the period already undergone by the respective Noticees, in pursuance of the Interim Order cum SCN shall be taken into consideration and the same shall be set-off to give effect to the directions of restraint and prohibition as directed above.
- (iii) It is hereby clarified that 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. These Noticees are permitted to settle the pay-in and pay-out obligations in respect of transactions, if any, which have taken place before the close of trading on the date of this Order.
- (iv) The money impounded in compliance with the directions of the Interim Order cum SCN dated February 28, 2023 which has been paid / realized shall be treated as the disgorgement amount for all the Noticees and shall stand transferred to the Investor Protection and Education Fund (IPEF). Further, the Noticees shall pay interest at the rate of 12% p.a on the unlawful gain made, calculated from the end of Investigation Period until the deposit of the unlawful gains pursuant to the Interim Order cum SCN. These amounts shall also be remitted to the Investor Protection and Education Fund (IPEF).

- (v) The following penalties are imposed on the Noticees under Section 11(4A) and 11B(2) of the SEBI Act read with Section 15HA of the SEBI Act and Rule 5 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995:

Noticee no.	Noticee	PAN	Amount (in INR)
1.	Viresh Joshi	AAEPJ2694R	3,00,00,000
2.	Sumit Desai	ADQPD3744F	65,00,000
3.	Pranav Vora	ACYPV7581R	50,00,000
4.	Vaibhav Pandya	APPPP9112C	5,00,000
5.	Prijesh Kurani	AIQPK8093D	1,00,00,000
6.	Dharini Kurani	DAEPK6510G	10,00,000
7.	Rekha Kurani	AQCPK5061H	10,00,000
8.	Bharti Navnit Godaya	AAIPG6387Q	10,00,000
9.	M K B Bespoke Audio General	AANCM1557E	10,00,000
10.	Bindesh Kurani	ALHPK0623M	10,00,000
11.	Nishil Surendra Marfatia	ADWPM9452H	40,00,000
12.	Olga Trading Pvt. Ltd.	AACCO8900C	10,00,000
13.	Krunal Khamar	BAQPK2530J	10,00,000
14.	Kamlesh Arjundas Dhanrajani	AGZPD1657P	10,00,000
15.	Bhavin Shah	AAKPS2177G	10,00,000
16.	Rupal Bhavin Shah	AUWPS1058E	10,00,000
17.	Visa Capital Partners	AAGFV6839A	10,00,000
18.	Suresh K Jajoo	AAFPJ0070J	40,00,000
19.	Vimla S Jajoo	ADAPJ8747J	10,00,000
20.	Ankit Jajoo	AIZPJ2803R	10,00,000
21.	Sheepra Sumeet Kabra	ADOPJ3255B	10,00,000

- (vi) The Noticees shall pay the respective penalties imposed on them within a period of forty-five (45) days from the date of receipt of this Order.

- (vii) Noticees shall pay the monetary penalty by online payment through the designated payment link provided on the SEBI website at the path: www.sebi.gov.in/ENFORCEMENT → Orders → Orders of ED / CGM (Quasi-Judicial Authorities) → Click on PAY NOW. In case of any difficulties in payment of penalties, the Noticees may contact the support at portalhelp@sebi.gov.in
- (viii) Noticees shall forward details of the online payments made in compliance with the directions contained in this Order to the "*The Division Chief, ISD, Securities and Exchange Board of India, SEBI Bhavan II, Plot No. C-7, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai -400 051*" and also to the email ID: tad@sebi.gov.in
- (ix) This Order shall come into force with immediate effect.
- (x) A copy of this Order shall be forwarded to the Noticees, all recognized Stock Exchanges, Depositories, Banks and Registrar and Transfer Agents for ensuring compliance with the above directions.

DATE: JULY 24, 2026

PLACE: MUMBAI

BIJU S.

QUASI-JUDICIAL AUTHORITY

SECURITIES AND EXCHANGE BOARD OF INDIA