

Department: Investigation	Segment: All
Circular No: MSE/ID/11373/2022	Date : January 13, 2022

Subject: SEBI Order In the matter of Stock Recommendations using Social Media Channel (Telegram)

To All Members,

SEBI vide order no. WTM/SKM/54/201-22 dated January 12, 2022 has issued the following directions for below mentioned noticees.

Sr. No.	Name of the Entity	PAN
1	Himanshu Mahendrabhai Patel	BEHPP8092K
2	Raj Mahendrabhai Patel	DDNPP8715E
3	Jaydev Zala	ABTPZ5894K
4	Mahendrabhai Bechardas Patel	ABNPP4581B
5	Kokilaben Mahendrabhai Patel	DAUPP2977L
6	Avaniben Kirankumar Patel	CQIPP0707R

- a) All the Noticees viz: Noticee nos. 1 to 6 are restrained from buying, selling or dealing in securities, either directly or indirectly, in any manner whatsoever until further orders.
- b) If the Noticees have any open position in any exchange traded derivative contracts, as on the date of the order, they can close out/square off such open positions within 3 months from the date of order or at the expiry of such contracts, whichever is earlier. The Noticees are permitted to settle the pay-in and pay-out obligations in respect of transactions, if any, which have taken place before the close of trading on the date of SEBI Order.
- c) The bank accounts of the Noticees are hereby impounded jointly and severally for an amount of INR 2,84,29,948 (alleged unlawful gains).
- d) Further, the Noticees are directed to open an escrow account with a Nationalized/Scheduled Commercial bank jointly and severally, and deposit within 15 days from the date of service of SEBI Order, the impounded amount as mentioned which has been prima facie found to be the proceeds of wrongful profits/gains allegedly generated from the unfair trade practices activity as noted in the SEBI Order. The said Escrow account/s shall be interest-bearing escrow account and shall create a lien in favour of SEBI. Further, the monies kept therein shall not be released without permission from SEBI.
- e) The banks where the Noticees are holding bank accounts, jointly or severally, are directed to ensure that till further directions, except for compliance of directions as stated in the SEBI Order, no debits shall be made in the bank accounts of the Noticees without the permission of SEBI. The banks are directed to ensure that all the directions mentioned in the SEBI Order are strictly enforced. Only on production of

Metropolitan Stock Exchange of India Limited

proof of deposit of entire amount of INR 2,84,29,948 (either jointly or severally) in the escrow account/s, SEBI shall communicate to the banks to defreeze the bank accounts.

- f) The Noticees are directed not to dispose of or alienate any assets, whether movable or immovable, or any interest or investment or charge on any of such assets held in their name, individually or jointly, including money lying in bank accounts except with the prior permission of SEBI until the impounded amount is deposited in the escrow/s account.
- g) The Noticees are directed to provide a full inventory of all assets held in their name, individually or jointly, whether movable or immovable, or any interest or investment or charge on any of such assets, including details of all bank accounts, demat accounts and mutual fund investments, immediately but not later than 5 working days from the date of receipt of SEBI Order.

The foregoing observations contained in SEBI Order, are made on the basis of the material available on record. The prima facie findings as recorded in SEBI Order will be treated as allegations against the respective Noticees and the present order is to be also treated as an interim order cum show cause notice. The Noticees are hereby called upon to show cause as to why suitable directions, including the following, should not be issued/imposed against them under Sections 11(1), 11(4)(d) and 11B (1) of the SEBI Act, 1992:

- a) Directing them to disgorge the amount equivalent to the alleged unlawful profits made on account of the scheme, as described in the SEBI Order.
- b) Directing them to refrain from accessing the securities market and prohibiting them from buying, selling or otherwise dealing in securities for an appropriate period.

Further, the Noticees are called upon to show cause as to why appropriate penalty under Section 11B (2) and 11(4A) read with Section 15HA of SEBI Act, 1992 should not be imposed on them for the alleged violations of SEBI Act, 1992 and PFUTP Regulations, as the case may be.

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

The Noticees may file their replies to SEBI within 45 days from the date of receipt of the SEBI Order. They may also indicate in their replies whether they wish to avail an opportunity of personal hearing in the matter.

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

Members of the Exchange are advised to take note of the full text of the order available on SEBI's website [www.sebi.gov.in] and ensure compliance.

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

**Shalini Rebeiro
Assistant Vice President**