

Department: Investigation	Segment: All
Circular No: MSE/ID/19585/2026	Date: August 19, 2026

Subject: SEBI direction pursuant to SAT order in the matter of Mr. Satish Vadilal Sheth Vs. SEBI

To All Members,

This is with reference to MSE Circular No MSE/ID/19123/2026 dated June 01, 2026, in respect of SEBI Order No. QJA/SS/IVD-2/ID13/32429/2026-27 dated May 29, 2026 has inter-alia stated that, the entity shall be 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 a period of five years from the date of this order.

Sr. No.	Noticee	PAN
1	Mr. Satish Vadilal Sheth	AAQPS3939Q

Hon'ble SAT vide order dated July 20, 2026, stated that there shall be stay of the impugned order subject to deposit of full penalty

SEBI now vide email dated August 18, 2026, has directed stay on debarment subject to deposit of entire penalty and disgorgement amount and therefore has advised to comply with the attached SAT order.

Further, SEBI now vide email dated August 18, 2026, has stated that the appellant i.e Mr. Satish Vadilal Sheth has paid the penalty amount of Rs. 20,00,000.00/- in favour of SEBI and therefore has advised to comply with the attached SAT order.

The detailed order is available on SAT website - <https://satweb.sat.gov.in/orders>

This order shall come into force with immediate effect.

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

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

**Shweta Mhatre
Assistant Vice President**

Metropolitan Stock Exchange of India Limited

Unit 205(A), 2nd Floor, Piramal Agastya Corporate Park, Kamani Junction, L.B.S Road, Kurla (West), Mumbai - 400 070.
Tel: +91-22-6112 9000 | customerservice@mse.co.in | www.mseindia.com | CIN: U65999MH2008PLC185856

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

Under Sections 11(1), 11(4), 11(4A), 11B (1) and 11B (2) read with Section 15A(a), 15HA and 15HB of the Securities and Exchange Board of India Act, 1992 and Rule 5 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995.

In respect of:

Noticee No.	Noticee Name	PAN
1.	M/s Veerkrupa Jewellers Limited	AAHCV0966G
2.	Mr. Chirag Arvind Shah	BFPPS0557F
3.	M/s Vivid Mercantile Limited	AAACV7171J
4.	Mr. Satishkumar Ramanlal Gajjar	AEYPG6786M
5.	Mr. Rakshit Mahendra Shah	AKIPS9122R
6.	M/s First Overseas Capital Limited	AAACL4737A
7.	Mr. Rushabh Shroff	ATZPS8741C
8.	Mr. Satish Vadilal Sheth	AAQPS3939Q
9.	M/s Stockk Seva Marketing Private Limited	ABGCS6152D
10.	Mr. Meghkumar Mahendrakumar Shah	DYLP52534H
11.	Mr. Bhavya Dhiman	GKPPD9799L
12.	Mr. Dipak Mathurbhai Salvi	DCXPS3464J
13.	M/s Bhavesh A Vora HUF	AAJHB3481P
14.	Mr. Dharmesh Maldevbhai Godhanian	ADLPG2502M
15.	Mr. Akshay Rajendrabhai Oswal	ABJPO0630N
16.	M/s NNM Securities Private Limited	AAACN8070G
17.	M/s Miker Financial Consultants Private Limited	AAECM1798G

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

In the matter of M/s Veerkrupa Jewellers Limited.



I. Background.

1. M/s Veerkrupa Jewellers Limited (“VJL/Noticee No. 1”) was incorporated in 2019 and is engaged in the business of manufacturing and trading of gold and silver jewellery products. The registered office and business of operation of VJL is based in Ahmedabad. To introduce the *dramatis personae*, eschewing honorifics by naming them, for ease of reference: -
 - i. Noticee No. 1/VJL - is the issuer in this case;
 - ii. Noticee No. 2 - is Managing Director (MD) of Noticee No.1;
 - iii. Noticee No. 3 - is shareholder in the category of public shareholders holding more than 1% shares of Noticee No.1;
 - iv. Noticee No. 4 - is MD of Noticee No. 3;
 - v. Noticees No. 5- is a Chartered Accountant and an acquaintance of Noticee No.2, assisting him in various processes relating to IPO of VJL/Noticee No.1, including coordinating with Noticee No. 6;
 - vi. Noticees No. 6 – is Merchant Banker. Lead Manager to the SME IPO of Noticee No. 1;
 - vii. Noticees No. 7 – is President - Operations of Noticee No. 6;
 - viii. Noticee No. 8 - is President of Noticee No. 6;
 - ix. Noticees No. 9- is company that specialise in activities relating to marketing and publicity of IPO of companies. Noticee No. 11 is a director in Noticee No. 9;
 - x. Noticees No. 10 – associated with Noticee No. 9;
 - xi. Noticees No. 11 - is Director/Promoter of Noticee No. 9;
 - xii. Noticees No. 12 - is conduit (mule account) of Noticee No. 10;
 - xiii. Noticees No. 13 - is an acquaintance of Noticee No. 10;
 - xiv. Noticees No. 14 - is an acquaintance of Noticee No. 10;
 - xv. Noticees No. 15 - is indirectly connected to Noticee No. 10 through fund transfers;
 - xvi. Noticees No. 16 - appointed as market maker in the SME IPO of VJL;
 - xvii. Noticees No. 17 - is a group entity of Noticee No. 16.

II. Investigation.

2. SEBI conducted an investigation to ascertain the persons/ entities behind publishing the Zee article and other publicity material over social media including YouTube videos in relation to SME IPO of Noticee No.1, and if the same were in conformity with the provisions of SEBI Act



and/or rules and regulations framed by SEBI thereunder. The Investigating Authority (“IA”) submitted the Investigation Report (“IR”) in accordance with law. During investigation, certain persons involved in publication/ display of publicity material in relation to SME IPO of VJL and their connected entities were observed to have dealt in the shares of Noticee No. 1.

3. The investigation period (“IP”) was considered from June 20, 2022 to May 31, 2024. Based on the price-volume chart of the scrip of VJL, the IP period is divided into four patches viz. Patch-1 (patch of price-rise from July 18, 2022 to August 29, 2022), Patch-2 (patch of price-rise from December 14, 2022 to February 14, 2023), Patch-3 (patch of price-fall from February 15, 2023 to May 18, 2023 before split of shares), and Patch-4 (patch of price-fall after the split of shares from May 19, 2023 to May 31, 2024). Details relating to price-volume movement observed in the scrip of VJL during the period from July 18, 2022 to May 31, 2024 is as following:

Table-1

Patch	Open Price	High Price	Low Price	Close Price	Average Daily Volume	Total Traded Volume
Patch-1 (Price-rise from July 18, 2022 to August 29, 2022)	₹27 (18/07/22)	₹91.35 (29/08/22)	₹24.40 (19/07/22)	₹89.85 (29/08/22)	1,82,759	53,00,000
Patch-2 (Price-rise from December 14, 2022 to February 14, 2023)	₹62.85 (14/12/2022)	₹146 (14/02/2023)	₹59.75 (15/12/2022)	₹140.35 (14/02/2023)	75,429	31,68,000
Patch-3 (Price-fall)	₹144.9 (15/02/2023)	₹144.9 (15/02/2023)	₹58.35 (18/05/2023)	₹58.35 (18/05/2023)	77,458	45,70,000
Patch-4 (Price-fall)	₹3.65 (19/05/2023)	₹3.75 (22/05/2023)	₹1.2 (21/12/2023)	₹1.41 (31/05/2024)	6,28,205	16,08,20,363

III. Show Cause Notice.

4. Based on the observations and findings in IR, a *prima facie* opinion was formed by the competent authority that the Noticees have possibly violated the provisions of SEBI Act and Regulations made thereunder. Thus, SEBI caused to be issued a common Show Cause Notice (“SCN”) dated April 25, 2025, calling upon the Noticees to show cause as to why suitable directions under Section 11B (1) and 11(4) read with Section 11 (1) of the SEBI Act and penalty under Section 11(4A) and 11B (2) read with Section 15A(a), 15HA, and 15HB of the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and Rule 4 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (“Adjudication Rules”) should not be issued against them for the violations alleged in the SCN. Further, Noticees No. 3, 10, 11, 12,



13 and 14 were also called upon to show cause as to why directions for disgorgement of the wrongful gain, should not be issued against them.

5. The charges against Noticee No. 1 to 17 as per the SCN are as under:
- a. Noticee No. 1 to 11 were part of the fraudulent scheme devised to knowingly publish information in relation to SME IPO of VJL that was misleading and likely to influence the decision of investors or induce sale and purchase of securities. Therefore, Noticee No. 1 to 11 were alleged to have violated provisions of Sections 12A(a), 12A(b), and 12A(c) of SEBI Act and Regulations 3(a), 3(b), 3(c), 3(d), 4(1), 4(2)(f), 4(2)(k) and 4(2)(r) read with Regulation 2(1)(c) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (“PFUTP Regulations”);
 - b. Noticee No. 6 is alleged to have violated the provisions contained in Clause 1(a) of Schedule IX read with Regulation 263 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“ICDR Regulations”) and Clause 4 and 6 of Schedule III read with Regulation 13 of the SEBI (Merchant Bankers) Regulations, 1992 (“Merchant Bankers Regulations”);
 - c. During Patch-1, Noticee No. 10 along with his mule account viz. Noticee No. 12 and other connected entities viz. Noticee No. 11, Noticee No. 15, and Noticee No. 13 indulged in an act which created misleading appearance of trading and contributed significantly in creation of volume and rise in price of the scrip of VJL and made wrongful gains;
 - d. Another connected entity viz. Noticee No. 14 purchased shares of VJL immediately upon listing of its shares on the stock exchange and sold the same in tranches during Patch-2 wherein the counterparty to its several trades was Noticee No. 11 and made wrongful gains;
 - e. During Patch-3 and Patch-4, Noticee No. 15, Noticee No. 16 and Noticee No. 17 indulged in an act which created misleading appearance of trading and contributed significantly in creation of volume;
 - f. Therefore, the Noticee Nos. 10, 11, 12, 13 and 15, are alleged to have violated provisions of Sections 12A(a), 12A(b), and 12A(c) of SEBI Act and Regulations 3(a), 3(b), 3(c), 3(d), 4(1), 4(2)(a) and 4(2)(e) read with Regulation 2(1)(c) of PFUTP Regulations. Further, the Noticee



No. 14, 16 and 17 were alleged to have violated provisions of Sections 12A(a), 12A(b), and 12A(c) of SEBI Act and Regulations 3(a), 3(b), 3(c), 3(d), 4(1), and 4(2)(a) read with Regulation 2(1)(c) of PFUTP Regulations;

- g. Noticee No. 10 failed to respond to summons and is alleged to have also violated the provisions contained in Regulation 8(1)(a) of PFUTP Regulations read with Section 11C (3) of SEBI Act, and;
- h. Noticee No. 11 failed to appear before the IA and is alleged to have violated the provisions contained in Regulation 8(1)(b) of PFUTP Regulations read with Sections 11C (5) and 11C (7) of SEBI Act.

IV. Inspection of documents, Replies and Hearing.

- 6. All the Noticees were provided with copies of relevant and relied upon documents. SCN and notices for hearings were served at the registered address of Noticees No. 9 and 12. However, despite service, they have neither submitted any reply to the SCN nor appeared for personal hearing despite sufficient time and opportunities were provided to them. I, therefore, find that these two Noticees are avoiding and keeping away from the proceedings deliberately. I therefore, hold that charges alleged against them in the SCN are admitted by them.
- 7. It is noted that Hon'ble SAT in the matter of **Classic Credit Ltd. vs. SEBI [2007] 76 SCL 51 (SAT - MUM)** inter alia held that: – “*the appellants did not file any reply to the second show-cause notice. This being so, it has to be presumed that the charges alleged against them in the show-cause notice were admitted by them*”. The Hon'ble SAT also made such observations in case of **Sanjay Kumar Tayal & Ors. vs. SEBI (in appeal No. 68/2013)** decided on February 11, 2014, that - “*.....appellants have neither filed reply to show cause notices issued to them nor availed opportunity of personal hearing offered to them in the adjudication proceedings and, therefore, appellants are presumed to have admitted charges levelled against them in the show cause notices*”. I, therefore, infer that they have admitted to the allegations and charges against them in the SCN and matter can be proceeded *ex parte* in terms of Rule 4(7) of the Adjudication Rules based on the material available on record.
- 8. The Noticee who made request, (i.e. Noticees No. No. 3, 4, 5, 6, 7, 8, 10, 11 and 13) inspected the relevant and relied upon documents. The Noticees also availed an opportunity of personal



hearing on the different dates and also filed additional written submissions post the hearing, on different dates, the last date of submission being on 21.03.2026, as provided in the following table:

Table-2

Notictee No.	Date of inspection, if any	Date of reply	Date of hearing	Additional Submissions
1.	-	16/5/2025, email dtd 28/8/2025, 22/8/2025, 25/8/2025, 6/12/2025	13/2/2026	Vide email dated 2/3/2026 the submissions dated 22/8/2025 and 25/8/2025 forwarded.
2.	-			
3.	2/7/2025	23/5/2025, 11/11/2025	23/2/2026	16/3/2026
4.	2/7/2025	23/5/2025, 11/11/2025		
5.	2/7/2025	23/5/2025, 17/11/2025		16/3/2026
6.	27/6/2025	7/5/2025, 25/8/2025	23/2/2026	21/3/2026
7.	27/6/2025			
8.	27/6/2025			
9.	-	-	-	-
10.	26/8/2025	27/1/2026	13/2/2026	4/3/2026
11.	29/8/2025	27/1/2026	28/1/2026	9/2/2026
12.	-	-	-	-
13.	18/7/2025	12/5/2025, 25/8/2025 28/1/2026	29/1/2026	20/3/2026
14.	-	12/5/2025, 30/6/2025	29/1/2026	18/3/2026
15.	-	19/5/2025	29/1/2026	-
16.	-	19/5/2025, 23/6/2025	11/2/2026	-
17.	-			-

V. Consideration of Issues and Findings.

9. The provisions of SEBI Act and Regulations made thereunder alleged to have been violated by Noticees are reproduced below:

SEBI Act

“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;

PFUTP Regulations

Definition of ‘fraud’ – Regulation 2(1)(c).

(c) “fraud” includes any act, expression, omission or concealment committed whether in a deceitful manner or not by a person or by any other person with his connivance or by his agent while dealing in securities in order to induce another person or his agent to deal in securities, whether or not there is any wrongful gain or avoidance of any loss, and shall also include—

- (1) a knowing misrepresentation of the truth or concealment of material fact in order that another person may act to his detriment;
- (2) a suggestion as to a fact which is not true by one who does not believe it to be true;
- (3) an active concealment of a fact by a person having knowledge or belief of the fact;
- (4) a promise made without any intention of performing it;
- (5) a representation made in a reckless and careless manner whether it be true or false;
- (6) any such act or omission as any other law specifically declares to be fraudulent;
- (7) deceptive behaviour by a person depriving another of informed consent or full participation;
- (8) a false statement made without reasonable ground for believing it to be true;
- (9) the act of an issuer of securities giving out misinformation that affects the market price of the security, resulting in investors being effectively misled even though they did not rely on the statement itself or anything derived from it other than the market price.

And “fraudulent” shall be construed accordingly;”

“3. Prohibition of certain dealings in securities

No person shall directly or indirectly –

- (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 thereunder.

4. Prohibition of manipulative, fraudulent and unfair trade practices

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

Explanation – For the removal of doubts, it is clarified that any act of diversion, misutilisation or siphoning off of assets or earnings of a company whose securities are listed or any concealment of such act or any device, scheme or artifice to manipulate the books of accounts or financial statement of such a company that would directly or indirectly manipulate the price of securities of that company shall be and shall always be deemed to have been considered as manipulative, fraudulent and an unfair trade practice in the securities market.

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

(a) knowingly indulging in an act which creates False or misleading appearance of trading in the securities market;

.....
(e) any act or omission amounting to manipulation of the price of a security including, influencing or manipulating the reference price or bench mark price of any securities;

.....
(f) knowingly publishing or causing to publish or reporting or causing to report by a person dealing in securities any information relating to securities, including financial results, financial statements, mergers and acquisitions, regulatory approvals, which is not true or which he does not believe to be true prior to or in the course of dealing in securities;

.....
(k) disseminating information or advice through any media, whether physical or digital, which the disseminator knows to be false or misleading in a reckless or careless manner and which is designed to, or likely to influence the decision of investors dealing in securities;

.....
(r) knowingly planting false or misleading news which may induce sale or purchase of securities;”

Duty to co-operate, etc.

“8. (1) It shall be the duty of every person in respect of whom an investigation has been ordered under regulation 5 –

(a) to produce to the Investigating Authority or any person authorized by him such books, accounts and other documents and record in his custody or control and to furnish such



statements and information as the Investigating Authority or the person so authorized by him may reasonably require for the purposes of the investigation;

(b) to appear before the Investigating Authority personally when required to do so by him under regulation 6 to answer any question which is put to him by the Investigating Authority in pursuance of the powers under the said regulations.

ICDR Regulations

Public communications, publicity materials, advertisements and research reports

“263. All public communications, publicity materials, advertisements and research reports shall comply with provisions of **Schedule IX.**”

.....

“Schedule IX – Public Communications and Publicity Materials.

(1) Any public communication including advertisements, publicity material and research reports (referred to as public communication) issued or made by the issuer or its associate company, or by the lead manager(s) or their associates or any other intermediary connected with the issue or their associates, shall contain only such information as contained in the draft offer document/offer document and shall comply with the following:

(a) it shall be truthful, fair and shall not be manipulative or deceptive or distorted and it shall not contain any statement, promise or forecast which is untrue or misleading;”

Merchant Bankers Regulations

“Code of conduct.

13. Every merchant banker shall abide by the Code of Conduct as specified in Schedule III.”

.....

Schedule III

Code of Conduct for Merchant Bankers

.....

4. A merchant banker shall at all times exercise due diligence, ensure proper care and exercise independent professional judgment.

.....

6. A merchant banker shall ensure that adequate disclosures are made to the investors in a timely manner in accordance with the applicable regulations and guidelines so as to enable them to make a balanced and informed decision.

.....”

10. The definition of ‘*fraud*’ under clause (c) of regulation 2 of the PFUTP Regulations has two parts; first part may be termed as catch all provision while the second part includes specific instances which are also included as part and parcel of term ‘*fraud*’ and all elements of first part are to be seen in them too as a common thread. In my view, the words “*in connection with*



dealing in securities” in regulation 3 of the PFUTP Regulations do not signify that the person employing the *device* and engaging in act, practice, etc. should actually buy or sell securities. These Regulations, prohibit any person from employing 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 an exchange. They also prohibit persons from engaging 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 that are listed on stock exchanges.¹

11. Prevention of *market abuse* and preservation of *market integrity* is the hallmark of securities law. Section 12A read with Regulations 3 and 4 of the PFUTP Regulations essentially intended to preserve “*market integrity*” and to prevent “*market abuse*”². Market abuse impairs economic growth and erodes investor’s confidence. Market abuse refers to the use of manipulative and deceptive devices, giving out incorrect or misleading information, so as to encourage investors to jump into conclusions, on wrong premises, which is known to be wrong to the abusers. The statutory provisions mentioned earlier deal with the situations where a person, who deals in securities, takes advantage of the impact of an action, may be manipulative, on the anticipated impact on the market resulting in the “creation of artificiality.”
12. Section 12A (a), (b) and (c) of the SEBI Act may be invoked in cases where there exists any manipulative or deceptive device or contrivance, any device, scheme or artifice to defraud or any act, practice, course of business which operates or would operate as fraud or deceit upon any person, in connection with the issue, purchase or sale of any securities. Further, the principles and ingredients of Regulation 2(c) run through as common thread in all prohibitions under Section 12A and Regulation 3. Hon’ble Supreme Court in ***SEBI V. Shri Kanaiyalal Baldevbhai Patel***.³ gave a liberal interpretation to the definition of ‘*fraud*’ under regulation 2(c) of PFUTP Regulations. Hon’ble Supreme Court, held the definition of “*fraud*” expands beyond what can normally be understood to be a ‘*fraudulent*’ act. The emphasis is on act of inducement. It further held that for scrutinizing the cases under the PFUTP Regulations, mere inference, rather than proof, that **the person induced would not have acted in the manner that he did but for the inducement is sufficient.** No element of dishonesty or bad faith in the

¹ Hon’ble SAT in the matter of *V. Natarajan vs. SEBI Appeal No. 104 of 2011*, Judgment dated June 29, 2011

² *N. Narayanan v. SEBI* Judgment dated April 26, 2013

³ *Civil Appeal No. 2595 of 2013 ; (2017) 15 SCC 1 judgement dated September 20, 2017*



making of the inducement would be required. Subsequently, Hon'ble SAT in **Reliance Industries Ltd. v. SEBI**⁴, clarified that one of the essential elements of *fraud* is *inducement*, meaning that a party must have misled or influenced investors to deal in securities. A charge of *fraud* can only be established when there is such inducement.

13. Regulation 4(1) deals with fraudulent and unfair trade practices relating to securities markets.

This Regulation is without prejudice to Regulation 3. Meaning thereby that an act may not fall under Regulation 4 yet it may fall under Regulation 3. Indulging in any *fraudulent* or *unfair trade practice in securities market* is prohibited in regulation 4(1). Unfair trade practice has not been defined under the PFUTP Regulations. A clear cut generalized definition of the '*unfair trade practice*' may not be possible to be culled out from the aforesaid definitions. Broadly, a trade practice is *unfair* if the conduct undermines the ethical standards and good faith dealings between parties engaged in business transactions. It is to be noted that unfair trade practices are not subject to a single definition; rather it requires adjudication on case to case basis. Whether an act or practice is *unfair* is to be determined by all the facts and circumstances surrounding the transaction. Moreover, the concept of '*unfairness*' is broader than and includes the concept of '*deception*' or '*fraud*'.

14. Regulation 4(2) provides a deeming fiction which is rebuttable. According to this Regulation,

dealing in securities shall be deemed to be a fraudulent or an unfair trade practice if it involves *fraud* and may include all or any of the listed acts. Thus, the common thread through these provisions is that the ingredients of fraud/ manipulation/ unfair trade practices must be satisfied. Hon'ble Supreme Court in **Kanaiyalal Baldevbhai Patel** (Supra) also observed that: "It should be noted that the provisions of regulations 3 (a), (b), (c), (d) and 4(1) are couched in general terms to cover diverse situations and possibilities. Once a conclusion, that fraud has been committed while dealing in securities, is arrived at, all these provisions get attracted in a situation like the one under consideration." Regulation 2(1) (b) of the PFUTP Regulations defines the expression '*dealing in securities*' as following:

"(i) an act of buying, selling or subscribing pursuant to any issue of any security or agreeing to buy, sell or subscribe to any issue of any security or otherwise transacting in any way in

⁴ 2020 SCC OnLine SAT 532



any security by any persons including as principal, agent, or intermediary referred to in section 12 of the Act;

(ii) such acts which may be knowingly designed to influence the decision of investors in securities; and

(iii) any act of providing assistance to carry out the aforementioned acts.”

15. I have carefully considered the allegations made in the SCN, the IR, replies and submissions of the Noticees and the documents relied upon in the matter. It is noted that most of the Noticees have raised generally technical arguments and have not controverted the facts and backgrounds. While few of such contentions are independent and are being dealt with accordingly in the next few paras, many are connected with specific issues which shall be dealt with while dealing with specific contentions.

(i) Consideration of Technical objections and findings.

(a) ‘Key persons’ not defined and beyond purview of Section 27.

16. Ld Advocate of Noticee No.10 contended that in the SCN names Noticees 10 and 11 as “Key Persons” of Stockk Seva (Noticee No.9). The SCN does not define how these two Noticees are the “Key Persons” of Stockk Seva. Even Section 27 of the SEBI Act does not include any “Key Person” in its ambit. According to him, name of the Noticee No.10 does not figure in alleged *modus operandi* as described in paras 5 and 6 of the SCN and in relation to YouTube Videos dealt with in paras 11-18 of the SCN. The alleged role Noticee No. 10 is mainly on account of this title “Key Person” which is not based on any sound foundation.

17. I have carefully considered these submissions and arguments of these Noticees. It is noted that the *modus operandi* behind publication of the impugned Zee article is not merely confined to paras 5-6 or paras 11-18 of the SCN as sought to be contended on behalf of Noticee No.10. The determination whether Noticee 10 had any role depends on several factors ranging from pre IPO and post IPO periods both; his close contacts with Noticees No. 1 and 2 and Noticee No.11 and his role described elsewhere in the SCN.

18. In my view, the word “Key Persons” used in the SCN (Ref: heading of Para 19 to and 31) are in context that Zee article and YouTube videos in relation to SME IPO of VJL were published/ displayed by Noticee No. 9 and **key persons associated with it** viz. Noticee No.10 and Noticee



No.11. It has not been used in sense that Noticees No.10 and 11 are controlling the management of Stockk Seva (Noticee No.9) and the words have been coined in the SCN solely to display these Noticees as the main persons behind publication / display of contents in Zee article and YouTube videos. In my view, the SCN does not charge Noticees No. 10 and 11 for liability for the acts of the Noticee No.9 in a sense that they are directors or key managerial persons vicariously charged for acts of a company as contemplated in Section 27 of the SEBI Act. I therefore, do not accept this contention made on behalf of Noticee No.10.

(b) Violation of Adjudication Rules

19. In its reply, the Noticee No. 10 has also contended that SCN has been issued in complete ignorance and in violation of the Adjudication Rules as it has been issued by the IA. According to them, SEBI has failed to appreciate that the person who has investigated the matter, and prepared the IR alleging the charges cannot be a fair, prudent and right person to adjudicate the challenges to the allegations or charges suggested by himself. During personal hearing on February 13, 2026, Learned Advocate of Noticee No.10, fairly conceded to not press the submissions on the authority and jurisdiction of the Quasi-Judicial Authorities as contended in the reply of the Noticee No.10. I, accordingly, close this issue.

(c) Burden of proof.

20. Some of the Noticees have also contended, without being specific, that the IR records allegations that are purely based on assumptions, presumptions, and conjectures without any cogent evidence. Allegations of fraud cannot be charged merely on the basis of preponderance or probability and compelling evidence should be brought on record by SEBI. A serious charge of manipulative intent cannot be levelled merely on the possibility of few orders partly or fully matched with counterparties. Mere conjectures and surmises will not be sufficient to hold a person liable fraud. Noticees have claimed that the burden of proof to demonstrate contraventions under the SEBI Act and PFUTP Regulations lies with SEBI and it must establish fraudulent intent. In this regard, it is settled position that for holding a person guilty of having been indulged in fraudulent, manipulative and unfair trade practices the finding must be sustained by a higher degree of preponderance of probability than that required in any other civil default. There must be convincing preponderance of probability to support the allegation of fraudulent practices. Indubitably, this onus is on SEBI.



(ii) Consideration of submissions on merits and findings.

21. Ld. ARs of the Noticees have pointed that from the SCN it is hard to deal with the allegations, as narrated, to find out the truth based on the strong and sound preponderance of probability. In my view, instead of finding fault with SCN based on technicalities, it is more important to find the truth if it can be ascertained by the chronological presentation of the facts of the case. I, therefore, attempt to ascertain the truth by analysing the inextricably connected facts of this case, convoluted in 76 pages of SCN along with its 61 Annexures, holistically.

(a) Creation of shares in the hands of the connected party - Noticee No.3.

22. The first limb is ascertainable by examining the disclosures in the Prospectus dated June 22, 2022 and events connected therewith or incidental thereto prior to IPO and post IPO. It has been alleged that despite Noticee No.3 not paying consideration towards purported transfer of 3,75,000 shares by Noticee No.2, a physical share certificate dated March 26, 2022 for 3,65,000 shares of VJL was issued to Noticee No.3 whereas this certificate did not bear any evidence of Noticee No.3 holding it as a transferee of shares from Noticee No.2. Thus, 3,75,000 shares of VJL were not transferred by Noticee No.2 to Noticee No.3 on April 02, 2021 as claimed. As such, the bonus allotment of 6,00,000 shares to Noticee No.3 on February 12, 2022 can also not be considered as valid.

23. According to Noticee No. 1 and 2: -

(a) The transfer of 3,75,000 shares to Noticee No.3 on April 02, 2021 and the payment of consideration after long delay after the listing of shares of VJL, *per se*, do not amount to violation of any SEBI rules or regulations. The investigation period (IP) is from June 20, 2022 to May 31, 2024. If that be the case, the investigation about holding the shares prior to said period is outside the scope of investigation and hence no adverse comments can be made against them or to hold them guilty.

(b) The acquisition was due to understanding between Noticees No. 1, 2 and 3. The same were prior to listing. The jurisdiction of SEBI does not extend to investigate pre-listing transactions. The scope of SEBI is in respect of a listed entity and transactions of shares after the listing or if there is any irregularity in acquiring such shares during IPO. Prior thereto, the same is exclusive domain of Registrar of Companies (ROC).



(c) Name of Noticee No.3 appears in the list of shareholders of VJL. As per section 88 of the Companies Act 2013, the register of members holds significant legal weight as it serves as *prima facie* evidence of share ownership. This means that, the details entered in the register are presumed to be correct regarding who is a member and the extent of their shareholding. This evidentiary value is critical in various situations, including resolving ownership disputes, validating share transfers during legal proceedings, and determining eligibility for corporate actions like dividend payments, bonus eligibility or voting rights. In the prospectus, Noticee No.3 was mentioned as member holding shares in VJL and hence any discrepancy in transfer form or late payment of consideration is not criteria to hold that there was irregularity in pre-IPO period.

(d) The proposed penalty under Section 15HA can be levied on a person who have fraudulently traded in securities. Noticee No. 2 has not traded in said scrip of VJL and hence penalty under Section 15HA is not attracted.

24. Noticee No.3 and 4 have submitted that Noticee No.3 had purchased above impugned shares in compliance with law and with no sinister motives. Learned Advocates for the Noticees No.4 have vehemently contended that being an independent director of Noticee No.3, he is immune for any wrong committed in this case by virtue of provisions of Section 149(12) of the Companies Act, 2013.

25. It is pertinent to mention that Section 149(12) of the Companies Act, 2013 provides as under:

“12. Notwithstanding anything contained in this Act; -

(i) An independent director

(ii) A non-executive director not being promoter or key managerial personnel

shall be held liable only in respect of such acts of omission or commission by a company which had occurred with his knowledge, attributable through Board processes and with his consent or connivance or where he had not acted diligently.”

26. It provides for a legal defense for individual culpability of the independent directors who were not in know of or were diligent in trying to prevent the company's non-compliance. If the contravention has been committed by a company and it is proved that the contravention had been committed with the consent or connivance of, or is attributable to any neglect on the part



of, any director of the company, such director shall also be deemed to be guilty of the contravention and shall be liable to be proceeded against and punished accordingly. In my view, an open immunity to directors as sought to be contended may lead to tyranny and militate against principles behind the liability under section 166 and 149 (12) of the Companies Act, 2013, the corporate governance provisions and the prohibitions contained in the SEBI Act. While the directors' decision is unconscionable where he irrationally in support wrong act of the company, the benefit of this exception will not be available in any case. In this case, although Noticee No. 4 was designated as independent director he was involved in the scheme of the purported share transfer still he gave false and incorrect statement before the IA. He is, thus, liable for the same.

27. It is gainsaying that Section 88 of the Companies Act, 2013 creates a rebuttable presumption in favour of membership if name of shareholder is mentioned in register of members of the company. However, a register of members prepared fraudulently is not valid proof of membership. The register simply serves as *prima facie* evidence of the facts directed or authorized to be inserted therein. If an entry is proven to have been made fraudulently, it is null and void, completely destroying its evidentiary value. Under company law, mere entry of a name in the register is not enough. A valid membership requires a lawful agreement/contract (e.g., valid share allotment, valid transfer) to become a member. There is no evidence brought to show credence of the claim that name of Noticee No.3 appears in the list of shareholders of VJL when bonus shares were issued by it on February 12, 2022. It has neither shown proof of holding of 3,75,000 share in the name of Noticee No.2 before purported transfer and consideration paid by him to be part of its share capital.

28. As per its Prospectus, the shareholding in VJL was disclosed as on the date of Prospectus as following:

Table-3: Shareholding Pattern of VJL

Shareholders holding 1% or more of the paid up share capital of VJL as on the date of the Prospectus (i.e. June 22, 2022):

Name of the Shareholder	Category	No. of Shares	% of the Pre-Issue Capital
Mr. Chirag Shah	Promoter	32,71,312	67.27
Ms. Neha Chirag Shah	Promoter	6,15,880	12.66
M/s Vivid Mercantile Limited	Public	9,65,000	19.84
Total		48,52,192	99.78

The shareholding pattern of VJL as on the date of Prospectus and after its IPO are as follows:



Category of shareholder	As on the date of Prospectus			QE September 2022		
	No. of shareholders	No. of shares held	% of shareholding	No. of shareholders	No. of shares held	% of shareholding
Promoter/ Promoter Group	5	38,87,768	79.94	5	38,87,768	49.44
Public	4	9,75,384	20.06	183	39,75,384	50.56
Total	9	48,63,152	100	188	78,63,152	100

29. Fraud vitiates the legality of the membership. Thus, if a share allotment is made as part of design to commit fraud on investors or fraudulent act relating to securities markets, SEBI can question its veracity as part of the fraudulent scheme. While the allotment, preparation of register of members, whether fraudulent or otherwise, can be matter under domain of the Companies Act, 2013, its veracity being used as a part of a scheme of fraudulent acts relating securities markets and in connection with dealing in securities, these elements will certainly fall within the domain of the prohibition of Section 12A of the SEBI Act which also applies in relation to securities issued and/or proposed to be listed on a recognised stock exchange. Accordingly, if an act relating to issue and listing of securities listed or proposed to be listed attracts the prohibition under Section 12A of the SEBI Act read with Regulations 3 and 4 of the PFUTP Regulations, consequences under Section 11, 11B and 15HA shall follow. I, therefore, reject such contentions.

30. As per the Prospectus relating to the IPO of Noticee No.1: -

- (a) Noticee No.3 was the only shareholder in the category of public shareholders holding more than 1% shares of VJL, with a pre-issue shareholding of 19.84%.
- (b) Prior to the IPO, its Noticee No. 2, had purportedly transferred 3,75,000 shares of VJL to Noticee No. 3 on April 02, 2021 for cash consideration @ ₹27 per share (i.e. for a total consideration of ₹1,01,25,000).
- (c) On February 12, 2022, i.e. prior to listing of IPO, Noticee No.3 was allotted 6,00,000 bonus shares by VJL, thereby making it the largest public shareholder with 19.84% pre-listing holding, and a beneficiary of its shareholding in VJL pursuant to listing on BSE.



31. None of these Noticees could produce any documentary evidence in support of the aforesaid transfer of shares by Noticee No.2 to Noticee No.3. Their submissions before the IA were found to be inconsistent and incorrect. They have not provided any plausible and valid reasons for such transfer of shares by Noticee No. 2 to Noticee No.3 when its financials do not suggest a positive inference on April 02, 2021. Noticee No.3 and Noticee No.4 made false and incorrect statements before the IA that Noticee No.4 was not involved directly in the said transaction whereas the request form for dematerialisation of aforesaid 3,65,000 shares was signed Noticee No. 4 himself being the MD of Noticee No. 3. Further, the physical share certificate dated March 26, 2022 for 3,65,000 shares of Noticee No.1 was surrendered by Noticee No.3 for dematerialisation on June 22, 2022. The Noticees have not been able to establish otherwise. Their submissions in this regard are also evasive and not cogent.
32. The mobile no. - 'XXXXXXX500' mentioned under contact details of Noticee No. 3 belonged to Noticee No.5 who had also approached Noticee No.6 in relation to SME IPO of VJL as he was well-acquainted with officials of Noticee No.6. Noticee No.5 had been closely associated with Noticee No.1. Noticee No.2 and Noticee No.5 were connected constantly over calls during the period of SME IPO of VJL. Noticee No.5 was closely connected with Noticee No.3 and officials of Noticee No.6 viz. Mr. Rushabh Shroff (Noticee No.7) and Mr. Satish Sheth (Noticee no.8). Noticee No.3 and Noticee No. 1 have been closely related, and that Noticee No. 5 along with his associates were closely associated with the affairs of Noticee No.1. Noticee No. 5 was assisting Noticee No. 2 in processes relating to SME IPO of VJL, including coordinating with the merchant banker i.e Noticee No. 6. The assignment relating to IPO of VJL was sourced by Noticee No.6 through Noticee No. 5, a practising Chartered Accountant based in Ahmedabad.
33. According to Noticee No.7 President of Operations of Noticee No.6 the disclosures in the Prospectus were made based on '*supporting records for transfer of shares (form SH-4)*' received from existing promoter to Noticee No. 3. Noticee No. 8 President of Noticee No.6 had stated that said Form SH-4 was provided by Noticee No. 1 and that Noticee No. 6 did not have any other document in support of said transfer of 3,75,000 shares whereas this Form SH-4 is clearly invalid for the reasons that: -



- (a) It was not executed in an appropriate manner as the signature/ stamp of the transferee, evidence of payment of stamp duty/ charges, etc. was missing;
- (b) Details mentioned therein such as distinctive number of shares, number of securities being transferred, consideration amount, etc. were factually inconsistent/ incorrect;
- (c) It did not contain any record in relation to its receipt by the company or its RTA.

34. Therefore, Form SH-4 relied upon by Noticee No. 6 in support of the purported transfer of 3,75,000 shares of VJL by Noticee No. 2 to Noticee No. 3 cannot be considered a valid document. The Form SH-4 provided by Noticee No. 6 in support of transfer of 10,000 shares of VJL by Noticee No. 3 to Mr. Vishal Barot also cannot be considered a valid document.
35. Admittedly, payments were received by Noticee No.2 on piecemeal basis (on different dates from July 26, 2022 to July 31, 2023) after a lapse of more than 15 months of the purported transfer on April 02, 2021, that started even after the bonus shares were issued on February 12, 2022 and listing of IPO shares of VJL on July 18, 2022. According to Noticee No. 2, he received said amount of ₹1,01,25,000 from Noticee No.3 towards transfer of 3,75,000 shares of VJL. As regards delay in receipt of such payment, the Noticees No. 2 and 3 have not given any cohesive and consistent statements. It is intriguing that Noticee No. 3 received a share certificate dated March 26, 2022 (for 3,65,000 shares in its possession) i.e. after the bonus shares were issued by VJL (during February 12, 2022 and again in May 2023) while there were no valid transfer papers/documents shown by Noticee No. 2 and Noticee No.1. Further, if Noticee No. 1 transferred shares and registered Noticee No. 3 in its register of members, it must have such evidence. However, Noticee No.1 has feigned ignorance by saying that it has no documents in its possession as the same were submitted to the depository/RTA.
36. Bonus shares are additional, free shares issued by an unlisted company to its existing shareholders in proportion to their current holdings. This is done by capitalizing accumulated earnings or reserves instead of distributing them as cash dividends, without changing the company's total market value or overall investment. In this case, admittedly financials of Noticee No.1 were not good. However, it issued bonus shares twice i.e. on February 12, 2022 and on May 19, 2023. The bonus allotment was made to Noticee No.3 even though it was not registered as member of Noticee No.1 as on the date of bonus allotment on February 12, 2012.



37. Relying upon Form No. MGT-7 under section 92(1) of the Companies Act, 2013, for FY 21-22, Noticee No. 3 has claimed that it had transferred 10,000 shares of VJL held by it to Mr Vishal Barot who was registered as member on March 26, 2022. The documents relied upon show that on March 26, 2022 a share certificate for 3,75,00 shares was issued in the name of Noticee No.3 and on the same date the transfer of 10,000 shares by Noticee No.3 was registered in the name of Vishal Barot. These Noticees have not shown any evidence and have made evasive submission regarding the transfer of 3,75,000 shares by Noticee No.2 to Noticee No.3.
38. It is also established that Noticee No.5 is well-acquainted with Noticees No. 1, 3 and 6 and that he was actively involved in facilitating SME IPO of VJL. Noticee No.8 was an acquaintance of Noticee No. 5 and an independent director in Noticee No.3. He was actively assisting in all the acts of Noticee No. 3. The contention that Noticees No. 1 and 2 are the issuer of shares under the IPO vetted by SEBI itself and in-principle permission was also granted is without any merit. Fraud and misrepresentation vitiate the legality of any transaction or decision, meaning thereby that the law treats the decision as if it never existed. Fraud nullifies all judicial or administrative acts. I therefore, reject the contentions of the Noticees.

(b) Publication of Zee News article and display of positive analysis via YouTube Videos.

39. The allegations in SCN in this respect is that: -

- (a) **Against Noticees No. 1 to 11** that they *were part of the fraudulent scheme devised to knowingly publish information in relation to SME IPO of VJL that was misleading, and that was likely to influence the decision of investors or induce sale and purchase of securities.* (para 95);
- (b) **Additional allegation against Noticee No. 6** – *Zee article and YouTube videos inter alia highlighting GMP of ₹7 on the issue price of shares of VJL is not in conformity with the Clause 1(a) of Schedule IX read with Regulation 263 of ICDR Regulations, 2018 which inter alia stipulates that any public communication including advertisements and publicity material issued or made by the issuer or by the lead manager shall contain only such information as contained in the offer document, and that the same shall be truthful, fair and shall not be manipulative or misleading. Furthermore, the Form SH-4 relied upon by FOCL in support of transfer of shares of VJL by Mr. Chirag Shah to Vivid was found to be a partially filled form not executed in a proper manner, and the details mentioned therein*



were factually inconsistent. The Prospectus mentioned that Mr. Chirag Shah transferred the shares for cash consideration; however, he received the consideration in lieu of transfer of shares on piecemeal basis after a long delay. Therefore, Noticee No. 6 viz. M/s First Overseas Capital Limited is also alleged to have violated provisions contained in Clause 1(a) of Schedule IX read with Regulation 263 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018; and Clause 4 and 6 of Schedule III read with Regulation 13 of SEBI (Merchant Bankers) Regulations, 1992. (para 96)

40. Most of the Noticees, have contended that SCN does not establish any connection of the Noticees with any Noticees who are alleged to have involvement in alleged fraudulent scheme or manipulative trading. I note that as per SCN *inter se* connection amongst Noticees are depicted as per following table: -

Table- 4: connection amongst the Noticees and other connected entities.

Sr. No.	Noticee	Nature/ Basis of Connection																		
a)	Noticee No. 2	✓ Noticee No. 2 is the promoter and MD of Noticee No.1. ✓ As on the date of prospectus, Noticee No. 3 was the only public shareholder holding more than 1% shares of Noticee No.1, acquired without proper consideration. ✓ Noticee No. 6 was the lead manager to the issue of VJL, ✓ The connection between Noticee No. 3, 1, 6, 5 and 2 has been discussed in detail in the part relating to share transfers between Noticee No. 2 and 3.																		
b)	Noticee No. 3																			
c)	Noticee No. 6																			
d)	Noticee No. 10	✓ Noticee No. 10, 11 and 12 were involved in carrying out activities in relation to misleading publicity of SME IPO of VJL. The connection between them has been discussed in detail in foregoing paragraphs. ✓ There were multiple instances of calls/ funds transfer among these entities. ✓ As per KYC details provided by HDFC Bank, Ankit Parlesha shares the same address as that of Noticee No. 10 i.e. 62, Building No. 4, Royal Accord, Lokhandwala Circle, Andheri (W), Mumbai.																		
e)	Noticee No. 11																			
f)	Ankit Mahendrabhai Parlesha (AWHPP5404G)																			
g)	Noticee No. 12																			
h)	Ajay Salvi (JCJPS4585N)	✓ Ajay Salvi is husband of Malti Salvi. ✓ Ajay Salvi transferred funds from his IDFC FIRST Bank a/c no. 10134167805 to Ankit Parlesha: <table><tr><th>Date</th><th>Particulars</th><th>Amount (₹)</th></tr><tr><td>09/06/23</td><td>RTGS/IDFBR52023060900546805/PAR LESHA ANKIT</td><td>10,000,000</td></tr></table> ✓ Malti Salvi has instances of fund transfers with Noticee No. 10/Noticee No. 11/ Ankit Parlesha under her IDFC FIRST Bank a/c no. 10134166175: <table><tr><th>Date</th><th>Particulars</th><th>Debit (₹)</th><th>Credit (₹)</th></tr><tr><td>09/06/23</td><td>RTGS/IDFBR52023060900546713/PARLESHA ANKIT</td><td>20,000,000</td><td></td></tr><tr><td>23/06/23</td><td>RTGS/KKBKR52023062300786466/SHAH MEGHKUMAR M SHAH</td><td></td><td>80,000,000</td></tr></table>	Date	Particulars	Amount (₹)	09/06/23	RTGS/IDFBR52023060900546805/PAR LESHA ANKIT	10,000,000	Date	Particulars	Debit (₹)	Credit (₹)	09/06/23	RTGS/IDFBR52023060900546713/PARLESHA ANKIT	20,000,000		23/06/23	RTGS/KKBKR52023062300786466/SHAH MEGHKUMAR M SHAH		80,000,000
Date	Particulars		Amount (₹)																	
09/06/23	RTGS/IDFBR52023060900546805/PAR LESHA ANKIT		10,000,000																	
Date	Particulars	Debit (₹)	Credit (₹)																	
09/06/23	RTGS/IDFBR52023060900546713/PARLESHA ANKIT	20,000,000																		
23/06/23	RTGS/KKBKR52023062300786466/SHAH MEGHKUMAR M SHAH		80,000,000																	
i)	Malti Salvi (MTVPS7695P)																			



Sr. No.	Noticee	Nature/ Basis of Connection			
			MEGHKUMAR/KKBK0000958		
		30/06/23	IMPS-RIB/Fund Trf/318116089613/Parlesha ankit/99998141424844HDFC/	120,000	
		01/09/23	RTGS/IDFBR52023090100594956/BHAVYA DHIMAN	22,765,000	
		01/09/23	RTGS/IDFBR52023090100595216/PARLESHA ANKIT	33,380,000	
		21/09/23	RTGS/HDFCR52023092189366949/PARLESHA ANKIT 62 B ROYAL ACCO/HDFC0000159		4,700,000
		20/01/24	TRANSFER FROM DEPOSIT: CHEQUE NO. 000026/FT FRM PARLESHA ANKIT		27,300,000
		12/02/24	TRANSFER FROM DEPOSIT: CHEQUE NO. 000028/FT FRM PARLESHA ANKIT		28,500,000
		01/03/24	TRANSFER FROM DEPOSIT: CHEQUE NO. 000002/FT FRM BHAVYA DHIMAN		27,185,000
		09/06/23	RTGS/IDFBR52023060900546713/PARLESHA ANKIT	20,000,000	
		✓ As per details received from brokers, dealings in the scrip of VJL was carried out <i>inter alia</i> using device with same MAC address (i.e. E4-A8-DF-89-BE-32) under the accounts of Noticee No. 10 with Motilal Oswal Financial Services Ltd, and Noticee No. 11 and Malti Salvi with Mehta Equities Ltd.			
j)	Mili Mahendrakumar Shah (CIJPS9703D)	✓ Nili Siddharth Sheth and Mili Mahendrakumar Shah are sisters of Noticee No. 10. ✓ Siddharth Mahendrabhai Sheth is spouse of Nili Siddharth Sheth.			
k)	Nili Siddharth Sheth (CJCPS9250B)				
l)	Siddharth Mahendrabhai Sheth (BFDPS9985M)				
m)	Princee Sapan Sanghavi (AODPV3997G)	✓ As per UCC details of Princee Sapan Sanghavi with ACML Capital Markets Ltd and Noticee No. 10 with Motilal Oswal Financial Services Ltd, they share common address viz. 401 B Achal Repose, Nr Government Servant Quarters, Nr Thakor Bag, Navrangpura, Ahmedabad - 380009.			
n)	Noticee No. 15	✓ Noticee No. 10 has multiple instances of funds transfer with Monika Ravikumar Oswal, W/o Ravikumar Javerilal Oswal. Father of Noticee No. 15.			
		Date	Particulars	Debit (₹)	Credit (₹)
		16/05/21	IMPS-113618655806-MONIKARAVIKUMAR OSWAL-HDFC-XXXXXXXXXXXX0695-		20,000
		17/05/21	IMPS-113720946604-MONIKARAVIKUMAR OSWAL-HDFC-XXXXXXXXXXXX0695-		50,000
		17/05/21	IMPS-113720972644-MONIKARAVIKUMAR OSWAL-HDFC-XXXXXXXXXXXX0695-		25,000



Sr. No.	Noticee	Nature/ Basis of Connection			
		18/05/21	IMPS-113806394004-MONIKARAVIKUMAR OSWAL-HDFC-XXXXXXXXXXXX0695-		1,60,000
		18/05/21	IMPS-113808554048-MONIKARAVIKUMAR OSWAL-HDFC-XXXXXXXXXXXX0695-		25,000
		30/05/22	NEFT CR-UTIB0002647-MONIKA RAVIKUMAROSWAL-MEGH SHAH-AXMB221506890459		2,00,000
		28/07/22	IMPS-RIB/Fund Trf/220909139277/MONIKA RAVIKUMAROSWAL/916010051740695UTIB/	100,000	
		27/12/22	IMPS-MOB/Fund Trf/236115753729/MONIKA RAVIKUMAR/916010051740695/		300,000
		24/01/23	NEFT/AXMB230248389638/MONIKA RAVIKUMAROSWAL/UTIB0002647		500,000
		21/02/23	IMPS-MOB/Fund Trf/305214364485/MONIKA RAVIKUMAR/916010051740695/		160,000
		22/03/23	NEFT/AXMB230811953279/MONIKA RAVIKUMAROSWAL/UTIB0002647		2,000,000
		15/04/23	IMPS-MOB/Fund Trf/310516693858/MONIKA RAVIKUMAR/916010051740695/NA		500,000
		18/04/23	NEFT/AXMB231083634255/MONIKA RAVIKUMAROSWAL/UTIB0002647		600,000
		20/04/23	IMPS-MOB/Fund Trf/311016793737/MONIKA RAVIKUMAR/916010051740695/NA		300,000
		16/05/21	IMPS-113618655806-MONIKARAVIKUMAR OSWAL-HDFC-XXXXXXXXXXXX0695-		20,000
		17/05/21	IMPS-113720946604-MONIKARAVIKUMAR OSWAL-HDFC-XXXXXXXXXXXX0695-		50,000
		✓ Dealings by Noticee No.15 was carried out through Oswal Shares & Securities Ltd wherein Javerilal Gopilal Oswal, Kalpesh Javerilal Oswal, and Ravikumar Javerilal Oswal are Directors. ✓ Noticee No.10 (xxxxxx5667) was observed to have calls with xxxxxx3932. As per UCC details, the said mobile no. is tagged with several accounts with various brokers under the name of Javerilal Oswal, Tankidevi Javerilal Oswal, Kalpesh Javerilal Oswal, Ravikumar Javerilal Oswal, Vanita Kalpesh Oswal, Kalpeshkumar Javerilal Oswal HUF, Oswal Shares & Securities Limited, Oswal Shares & Securities Ltd - Pool, Oswal Shares & Securities Ltd – Prop, Oswal Shares & Securities Ltd – Csmpla, Oswal Shares & Securities Ltd – Cuspa, etc.			



Sr. No.	Noticee	Nature/ Basis of Connection																								
o)	Noticee No. 14	✓ Noticee No. 11 is a director in Noticee No. 9 along with Anil Pankajbhai Thakor. Anil Thakor and Noticee No. 14 are directors (promoter) in Cattapul Corporate Services Pvt Ltd. ✓ Noticee No. 12 transferred funds to Noticee No. 14 during 2021 from his Bank of Baroda a/c no. XXXXXXXXXX5846 upon receipt from Noticee No. 10. Noticee No. 12 also transferred funds to Noticee No. 14 during 2021 from his Kotak Mahindra Bank a/c no. XXXXXXX6270. ✓ Noticee No. 14 in his written submissions <i>inter alia</i> denied any connection with Noticee No. 10. Noticee No. 14, had 12 calls during April – September 2022 with Noticee No. 10 and his connected entities including family members (xxxxxx5667, xxxxxx5605). Out of this, 7 calls were during July 10-12, 2022, i.e. a week prior to listing of shares of VJL. ✓ Noticee No. 14 is also connected with Noticee No. 7 through mobile phone calls.																								
p)	Noticee No. 13	✓ Bhavesh Vora, Karta of Noticee No. 13 is acquainted with Noticee No. 10. CDR revealed that Bhavesh Vora called Noticee No. 10 and his connected entities including family members (xxxxxx5667, xxxxxx9009, xxxxxx2345) during February – December 2022 for 19 times.																								
q)	Nikhil Rajesh Singh (OKOPS4711J)	✓ Nikhil Rajesh Singh transferred ₹50,00,000 to Nili Sheth, sister of Noticee No. 10 from his IDFC Bank a/c no. XXXXXXX4678 on July 13, 2023.																								
r)	Mahadev Manubhai Makvana (EXFPM7561C)	✓ Dealings in the scrip of VJL was carried out <i>inter alia</i> using device with same MAC address (i.e. E4-A8-DF-8A-38-AA) under the accounts of Ankit Parlesha with Nuvama Wealth and Investment Ltd and Mahadev Makvana with Mehta Equities Ltd																								
s)	SW Capital Private Limited (AAACS7189K)	✓ SW Capital Pvt Ltd received funds under it's a/c no. XXXXXXXX3433 from Ankit Parlesha: <table border="1"> <thead> <tr> <th>Date</th><th>Particulars</th><th>Amount (₹)</th></tr> </thead> <tbody> <tr> <td>09/06/2023</td><td>RTGS/HDFCR52023060962970584/P ARLESHA ANKIT//FAST/</td><td>5,00,00,000</td></tr> <tr> <td>12/09/2023</td><td>RTGS/HDFCR52023091287090316/P ARLESHA ANKIT//FAST/F</td><td>6,00,00,000</td></tr> <tr> <td>20/09/2023</td><td>RTGS/IDFBR52023092000380827/Mr Parlesha Ankit//AT</td><td>6,50,00,000</td></tr> <tr> <td>29/04/2024</td><td>RTGS/IDFBR52024042900567521/Mr Parlesha Ankit/IDFC FIRST BANK LTD//ATTN/</td><td>1,00,00,000</td></tr> <tr> <td>08/05/2024</td><td>RTGS/IDFBR52024050800677732/Mr Parlesha Ankit/IDFC FIRST BANK LTD//ATTN/</td><td>50,00,000</td></tr> <tr> <td>13/05/2024</td><td>RTGS/IDFBR52024051300328494/Mr Parlesha Ankit/IDFC FIRST BANK LTD//ATTN/</td><td>2,00,00,000</td></tr> <tr> <td>24/05/2024</td><td>RTGS/IDFBR52024052400460157/Mr Parlesha Ankit/IDFC FIRST BANK LTD//ATTN/</td><td>80,00,000</td></tr> </tbody> </table> ✓ As submitted by SW Capital Pvt Ltd, it had appointed Noticee No. 10, Noticee No. 12 and Ankit Parlesha as jobbers, and decision to deal in shares of VJL was taken by Noticee No. 12.	Date	Particulars	Amount (₹)	09/06/2023	RTGS/HDFCR52023060962970584/P ARLESHA ANKIT//FAST/	5,00,00,000	12/09/2023	RTGS/HDFCR52023091287090316/P ARLESHA ANKIT//FAST/F	6,00,00,000	20/09/2023	RTGS/IDFBR52023092000380827/Mr Parlesha Ankit//AT	6,50,00,000	29/04/2024	RTGS/IDFBR52024042900567521/Mr Parlesha Ankit/IDFC FIRST BANK LTD//ATTN/	1,00,00,000	08/05/2024	RTGS/IDFBR52024050800677732/Mr Parlesha Ankit/IDFC FIRST BANK LTD//ATTN/	50,00,000	13/05/2024	RTGS/IDFBR52024051300328494/Mr Parlesha Ankit/IDFC FIRST BANK LTD//ATTN/	2,00,00,000	24/05/2024	RTGS/IDFBR52024052400460157/Mr Parlesha Ankit/IDFC FIRST BANK LTD//ATTN/	80,00,000
Date	Particulars	Amount (₹)																								
09/06/2023	RTGS/HDFCR52023060962970584/P ARLESHA ANKIT//FAST/	5,00,00,000																								
12/09/2023	RTGS/HDFCR52023091287090316/P ARLESHA ANKIT//FAST/F	6,00,00,000																								
20/09/2023	RTGS/IDFBR52023092000380827/Mr Parlesha Ankit//AT	6,50,00,000																								
29/04/2024	RTGS/IDFBR52024042900567521/Mr Parlesha Ankit/IDFC FIRST BANK LTD//ATTN/	1,00,00,000																								
08/05/2024	RTGS/IDFBR52024050800677732/Mr Parlesha Ankit/IDFC FIRST BANK LTD//ATTN/	50,00,000																								
13/05/2024	RTGS/IDFBR52024051300328494/Mr Parlesha Ankit/IDFC FIRST BANK LTD//ATTN/	2,00,00,000																								
24/05/2024	RTGS/IDFBR52024052400460157/Mr Parlesha Ankit/IDFC FIRST BANK LTD//ATTN/	80,00,000																								



Sr. No.	Noticee	Nature/ Basis of Connection						
t)	Noticee No. 16	✓ Noticee No. 16 is the market maker for VJL w.e.f. March 23, 2023. Noticee no. 17 is connected with Noticee No. 16 based on common directors and common contact number (XXXXXX6000 of Nikunj Anilkumar Mittal). ✓ Nikunj Anilkumar Mittal, Director (Promoter) in Noticee No. 16 and 17 has call records with Noticee No. 10 on his various mobile numbers, and also with Noticee No. 14. ✓ Pravin Dadlika, Dealer of Noticee No. 16, has call records with Noticee No. 10 on his various mobile numbers. ✓ Malti Salvi has transferred funds of Rs. 7,500,000/- to Noticee No. 17 from her IDFC FIRST Bank a/c no. XXXXXX66175:						
u)	Noticee No. 17	<table border="1"> <thead> <tr> <th>Date</th><th>Particulars</th><th>Amount (₹)</th></tr> </thead> <tbody> <tr> <td>01/09/23</td><td>RTGS/IDFBR52023090100595100/MIKER /BKID00000086</td><td>7,500,000</td></tr> </tbody> </table>	Date	Particulars	Amount (₹)	01/09/23	RTGS/IDFBR52023090100595100/MIKER /BKID00000086	7,500,000
Date	Particulars	Amount (₹)						
01/09/23	RTGS/IDFBR52023090100595100/MIKER /BKID00000086	7,500,000						

41. The basis of allegation in the SCN (para 53) is that the promotion of SME IPO of VJL by highlighting GMP was misleading to the public. Considering the arguments made by Noticee No.1 to 11, following two issues are to be determined in relation to this allegation: -

A. First, whether promotion of SME IPO through Zee article and You Tube Videos had ‘*misleading*’ element? and,

B. Second, whether Noticee No.1 to 11 are responsible for publishing/display or caused to be published /displayed the impugned announcements in the Zee article and You Tube Videos?

A. ‘Misleading’ element SME IPO through Zee article and You Tube Videos.

42. It is an undisputed position that the Zee Article in question got published on June 23, 2022 through M/s Elkay Advertising and M/s Crazy Chaps who got the article published and were paid for the same. The said Zee Article stated *inter alia* that: -

“The company’s IPO is coming on 29th June 2022. The company is going to get listed on BSE SME platform Veerkrupa Jewellers Ltd IPO Price is ₹27 and its issue Size is ₹8.10 Crores.

.....So jewellery is the sector you must invest in and this is the only reason you must invest in Veerkrupa Jewellers Ltd.

Here we list out important Veerkrupa Jewellers IP details:



The Grey Market Premium (GMP): The GMP for Veerkrupa Jewellers Ltd. Initial Public Offering (IPO) is now available. According to market observers. Its GMP ₹7 (subject to market conditions & demand).

IPO Date: IPO will open for subscription on 29th June, 2022 and will remain open for bidding until 4th July, 2022.

India has 10 special economic zones SEZs specifically designated for gems and jewellery. More than 500 manufacturing facilities can be found in these zones, which produce 30% of all exports from the nation.

The government has approved 100 percent FDI in the sector under the automatic method, meaning that neither the foreign investor nor the Indian company needs to seek prior permission from the Reserve Bank or the Indian government. This makes it easier for brands like Veerkrupa Jewellers Ltd to gain more profit and it is also beneficial for the investors.

Veerkrupa Jewellers profile includes designer, traditional, modern, and combined designs of jewellery such as earrings, chains, bracelets, gold/silver bars, bands, mangalsutra, pendant sets and chain, anklets, waist belts and necklaces. Besides this, they also sell hand tools, Pooja items, and decorative items in silver. Their wide range of product offerings caters to diverse customer segments, from the high-end to mid-market and value market segments.

The company has some strengths which make them stand apart from other companies such as the use of the established Brand name, Prime location of the Showrooms, a Diversified product portfolio across categories and price points, an Experienced Promoter, and management team with proven execution capabilities and well established and cordial relationship with its supplier.

As per Union Budget 2021, the Gem and Jewellery Export Promotion Council (GJEPC) has proposed a reduction in import duty on cut and polished diamonds to 2.5% from the existing 7.5% in order to double exports of gems & jewellery. Companies like Veerkrupa Jewellers can easily survive and gain double profit from such schemes proposed by the Government of India.

(Above mentioned article is consumer connect initiative. This article is a paid publication and does not have journalistic/editorial involvement of IDPL, and IDPL claims no responsibility whatsoever.)”

43. SCN has alleged that certain videos *inter alia* highlighting GMP and positive analysis in respect of SME IPO of VJL were also displayed over YouTube. The videos displayed over YouTube that recommended to bid/ buy the SME IPO of VJL also referred to the Zee Article and often quoted it as the source of the information (in relation to GMP of ₹7).
44. Noticees No. 6, 7 and 8 have contended that the SCN and the IR refer to two forms of alleged publicity i.e. a Zee News article and various YouTube videos. However, the SCN itself is



inconsistent and unclear in its approach. While it refers to the YouTube promotions, the formal allegations and purported violations against Noticees are directed primarily at the Zee News article only. The SCN is silent on YouTube Videos and has found wrong doing with only the Zee News article.

45. I note that the investigation was conducted to ascertain the persons/ entities behind publishing the aforementioned Zee article and 'other publicity material over social media including YouTube videos' in relation to SME IPO of VJL. Zee News article is significant in the instant matter because the reference of Zee article has been made as the basis of the recommendation in the impugned YouTube videos for investment in the scrip of VJL. The impugned YouTube videos had displayed and made reference to the Zee News article by quoting it as the source of information (in relation to GMP of ₹7). Credibility is a critical factor and Zee News is considered by many a reputed and credible source of news. Noticees contention that SCN is silent on YouTube Videos and has found wrong doing with only the Zee article is incorrect as the investigation has conducted analysis of bank statement of relevant Noticees and has made observations that payments were made by Noticee No.11/ Noticee No. 12/ Mr. Sunil Prajapati to various YouTubers for displaying/ uploading videos with favourable/ positive analysis in relation to the SME IPO of VJL and *inter alia* recommending the viewers to subscribe to the said IPO.
46. I find that the SCN clearly makes the charge based on contents of Zee article and You Tube Videos. It is noted that several paras have been devoted on analysis of statements, email, information collected and bank account details presented, etc. The allegation is summarised in para 31 based on several details given in para 13 to 30 and para 94 and 95. The charge is clear that the misleading Zee article and YouTube videos in relation to SME IPO of VJL were published/ displayed by Noticee No.9 and key persons associated with it viz. Noticees No.10 and 11. I, therefore, reject such contentions.
47. The snapshots of such videos are as follows: -



Whois
Identify for everyone

DOMAINS WEBSITE CLOUD HOSTING SERVERS EMAIL SECURITY WHOIS

ipinfo.in Updated 27 minutes ago

Domain Information

Domain:	ipinfo.in
Registrar:	Hosting Concepts B.V. d/b/a Openprovider
Registered On:	2022-04-21
Expires On:	2024-04-21
Updated On:	2023-04-30
Status:	clientTransferProhibited
Name Servers:	rayden.ns.cloudflare.com celeste.ns.cloudflare.com

Registrant Contact

Organization:	Stockk Seva Marketing Pvt Ltd
State:	Maharashtra
Country:	IN
Email:	Please contact the Registrar listed above

Administrative Contact

Email:	Please contact the Registrar listed above
--------	---

Technical Contact

Email:	Please contact the Registrar listed above
--------	---

Snapshot of www.whois.com

youtube.com/watch?v=EmU...B3iKGA

Securities and Exch... SHARE Outlook IONS SEBI DWBS Sci-Hub Sci-Hub DWBS

veerkrupa jewellers sme stack guruj 1

Veerkrupa Jewellers IPO

IPO INFO

Veerkrupa Jewellers IPO

IPO DATE 29 JUNE to 5 JULY

Veerkrupa IPO Details, Veerkrupa apply or avoid, Veerkrupa Analysis, Veerkrupa Jewellery IPO Review

Stack Guruj 1 IN 42K subscribers

119 views 1 year ago BOMBAY STOCK EXCHANGE Veerkrupa Jewellers Ltd.

A perfect company for your investment. India's jewellery export industry is one of the largest in the world and Veerkrupa Jewellers Ltd. is a perfect company for your investment.

Snapshot of YouTube video showing details in relation to SME IPO of VJL appearing over www.ipinfo.in

49. According to Noticee No.1 and 2, VJL wished to get listed on SME platform of BSE and the shares under the IPO was issued as per prospectus filed with SEBI as also the ROC which is compliant with LODR Regulations. Ld. AR of Noticee No. 11 argued that the contents of the impugned Zee article were not misleading. SCN does not bring out as to whether investors subscribed based on the prospectus or the impugned article. The Risk Factors were already disclosed in the prospectus. The Zee article contained what was already disclosed in the prospectus. There was no misrepresentation of any fact that was disclosed. The contents of Zee article are, at the most, belief and opinion of the writer and not a misrepresentation. He pithily submitted that there was no inducement of subscribers due to said Zee article.

50. I note that in the Prospectus of Noticee No.1 several forward looking statements have been made as risk factor. It had, *inter alia*, been declared under the head “**Risk Factors**” that: -
“This Prospectus also contains forward looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward looking statements as a result of many factors, including the considerations described below and elsewhere in this Prospectus.” If the Prospectus had all the disclosures which are there in the impugned Zee article and YouTube Videos, then the need for resorting to such proclamation in announcements is inconceivable. In fact, the prospectus did not make any such promotion or inducement as done in impugned Zee article and YouTube Videos. I, therefore, reject such misconceived submissions.



51. It is relevant to mention that in common parlance, '*misleading*' is something that gives a wrong idea or impression. It is not necessary that, in order to mislead, one must misrepresent. Regulation 263 of the ICDR Regulation clearly mandates all public communications, publicity materials, advertisements and research reports shall comply with provisions of Schedule IX. As per this Schedule IX any public communication including advertisements, publicity material and research reports (public communication) issued or made by the issuer shall contain only such information as contained in the draft offer document/offer document and shall comply with standards stipulated therein which are mainly as per the following principles: -

- i. It shall be truthful, fair and shall not be manipulative or deceptive or distorted and it shall not contain any statement, promise or forecast which is untrue or misleading;
- ii. It shall not include any issue slogans or brand names for the issue except the normal commercial name of the issuer or commercial brand names of its products already in use or disclosed;
- iii. It shall not contain slogans, expletives or non-factual and unsubstantiated titles;
- iv. For all public communications, the issuer shall obtain the approval from the merchant banker;
- v. Public communications shall be considered to be misleading, if it contains;
 - (a) Statements made about the performance or activities of the issuer without necessary explanatory or qualifying statements, which may give an exaggerated picture of such performance or activities.
 - (b) An inaccurate portrayal of past performance or its portrayal in a manner which implies that past gains or income will be repeated in the future.

52. According to Noticee No. 10 and 11 the GMP figure cited could never be a misstatement of fact or a material misrepresentation. It is contended that alleging manipulative intent or dissemination of misleading information on the basis of GMP alone is both factually and legally untenable. Moreover, speculating on potential listing gains - either by recourse to GMP or estimated price of a stock that is proposed to be listed, is a widespread practice among retail investors. Such data is also published in the public domain and cannot, in any event, be termed a *knowing misrepresentation of truth* under Regulation 2(1)(c) of the PFUTP Regulations, since the '*truth*' itself is a matter of speculation.



53. In the instant case, indisputably, an article captioned ‘*Veerkrupa Jewellers IPO dates out. GMP ₹7, price ₹27 and other details you must know*’ was published on the website of Zee News⁵ on June 23, 2022. It pronounced, *inter alia* that: ‘.....So jewellery is the sector you must invest in and this is the only reason you must invest in Veerkrupa Jewellers Ltd.’ Further, a banner advertisement captioned ‘*Apply for Veerkrupa Jewellery Ltd IPO GMP=7 APPLY NOW*’ highlighting GMP’ of ₹7 on the issue price of the shares of VJL was being advertised over certain website(s).
54. Also, YouTube Videos were circulated announcing enticing announcements such as- “*apply or avoid*”, “*Veerkrupa IPO the best IPO to buy now*”, etc. The YouTube Videos as referred to above also displayed favourable/positive analysis in relation to SME IPO of Noticee No.1 and making recommendations to subscribe to the IPO of Noticee No.1. Some of these Videos referred to the Zee article; in relation to the source of information w.r.t. GMP of ₹7; that was published by Noticee No.9. The website www.ipoinfo.in , where some of the YouTube videos displayed information in relation to SME IPO of VJL, was owned by Noticee No.9.
55. In my view, portrayal of announcements and proclamations as above by publication and display of contents in Zee article and YouTube Videos were not borne by above permitted standards of truthful disclosures and certainly were misleading as defined in above Schedule IX of the ICDR Regulations. The Zee article/ YouTube Videos had contents made therein in reckless manner by making manipulative or distorted statements with promise and forecast which was misleading. The exaggerated statements made about the activities of Noticee No.1 were made without necessary explanatory or qualifying statements, to show rosy picture. The contents of the said article were certainly misleading as per definition under Schedule IX of the ICDR Regulations. Such announcements and proclamations certainly had sufficient material to induce and entice not only gullible investors but also person with common intelligence. No such announcements were made in the prospectus as claimed by Noticees No. 1, 2, 10 and 11.
56. I find that the contentions in this regard are misplaced because committing a violation with means—often described as using lawful actions to achieve an unlawful purpose is punishable. Even an act may appear legal on its surface, if its object is with design to defeat the law, or to

⁵ <https://zeenews.india.com/india/veerkrupa-jewellers-ipo-dates-out-gmp-7-price-27-and-other-details-you-must-know-2476721.html>



commit fraud, it is punishable. In this case, the scope of the investigation is not to investigate the legality of GMP but to ascertain the persons/entities behind the publishing of the Zee News article which was purported to be a ‘paid’ article. Any device employed to engage in fraudulent, unfair and manipulative practices relating to issue of shares in IPO that are proposed to be listed on stock exchange will certainly fall within prohibitions contained in Section 12A of the SEBI Act and Regulations 3 and 4 of the PFUTP Regulations. Thus, circulating misleading statements with ostensible catchy proclamations with design to lure investors, as in this case, are definitely a concern to be looked into and cannot be permitted based on statements made by former Chairperson of SEBI in media.

57. As examined above, any act, expression, omission or concealment committed whether in a deceitful manner or not by a person or by another person with his connivance or by his agent while dealing in securities in order to induce another person to deal in securities, whether or not there is any wrongful gain or avoidance of any loss is declared fraud under Regulation 2(c) of the PFUTP Regulations. This definition is not limited to misrepresentations as claimed by Noticee No. 11. The act of these Noticees clearly falls within first part of definition of fraud and also in second part as it contains representations made in a reckless and careless manner as a fraudulent device giving out misinformation resulting in investors being effectively misled even though they did not rely on the statement itself or anything derived from it.

58. While Noticees No. 9 and 12 have remained *ex parte*, Noticees 10 and 11 have contended that the GMP figures, which constitutes the alleged misleading component of the Zee News article, are inherently speculative in nature. It is an estimate by the grey market of how a particular company's IPO issue might react on the day of the listing. GMP reflects unregulated market sentiment and is primarily a function of demand and supply dynamics within the informal grey market — a market which is neither recognised nor regulated under any applicable legal framework. As such, it operates outside the purview of SEBI regulations. In this regard, they have also relied upon statements of Chairman SEBI in media. They referred to upon a remark of Chairman, SEBI at FICCI's 22nd Annual Capital Markets Conference in August 2025 hinting that SEBI is evaluating a regulated platform for pre-IPO trading⁶.

⁶ https://www.business-standard.com/markets/news/sebi-may-introduce-regulated-platform-for-pre-ipo-firms-tuhin-kanta-pandey-125082100581_1.html



59. I note that IR and SCN allege that in the instant matter, the reference to GMP of ₹7 on the issue price of shares of VJL was ‘*without any basis and arbitrarily*’. It is crucial to state here that GMP is used in unregulated sphere in the securities market and still not part of regulated ecosystem. Lack of transparency in unregulated pre- listing trade practices leave ground for manipulations of listed stock a market abuse stemming from it. It is pertinent to mention that under the disclosure based regime, price of shares offered in an IPO is not controlled by SEBI and companies are free to fix price of the shares offered to public with or without premium. It is for this reasons, that SEBI, as a matter of investor protection, has prescribed disclosures about justification of issue price, price band, book building norms, lock-in of pre-issue unlisted shareholding even after listing thereof, etc. It is, thus, very crucial for the Regulators vetting or processing the offer documents of SME IPOs to closely oversee all requirements before permitting issue and listing of IPOs. It is necessary for the stock exchange to see disclosures on justification of premium. Since issues with such premium has been allowed and listing and trading in shares of Noticee No.1 has commenced long back, questioning GMP being without any basis and arbitrary would not sustain. If the issue and listing of IPO in this case is held to be illegal based on this allegation it would result in unwarranted consequences. This is not even the contemplation of the SCN.
60. However, misleading announcement and its consequences are still relevant for deciding the charges. I find that while GMP indicates a speculative premium that subscribers in the grey market are willing to pay over and above the issue price of the company before its listing, but, it cannot be allowed to be misused to indulge in fraudulent, manipulative and unfair trade practices relating to securities proposed to be listed. In my view, the scope of Section 12A of the SEBI Act is wide enough to bring, within its contours, any activity using the GMP as a device or plan for fraudulent acts in relation to an ensuing IPO which the SCN alleges in this case. Hence, I do not agree with contentions of Noticees No. 10 and 11 in this regard.
61. It is also noted that SEBI had expressed regulatory concerns behind GMP. **Ms. Madhabi Puri Buch, Ex Chairperson, SEBI** made statement in media on 21st January 2025⁷ that a specific platform for trading IPO-bound securities was then in active consideration. GMP though is not illegal *per se*, it is an over the counter market which lacks regulatory protection. She had stated

⁷ <https://www.moneycontrol.com/news/business/markets/madhabi-puri-buch-says-platform-in-the-works-to-allow-trading-of-shares-before-listing-12915855.html>- while addressing the Association of Investment Bankers of India (AIBI) in its 13th edition of Annual Convention.



that in order to curb the grey market activity, SEBI is looking at introducing a system where an investor can sell shares as soon as they are allotted in an IPO. She had further emphasized that discussions are underway with two stock exchanges to put in place the "when listed" platform where shares can be traded during the three days between the allotment and listing.

62. In my view, this statement is of no help to the Noticees. If SEBI has power to regulate IPOs and make Regulations incidental to the same, protect interests of investors, prohibit offer documents under Section 11/11A of the SEBI Act and also prohibit the market abuse with regard to securities proposed to be listed under Section 12A, it is not prevented or precluded from laying down regulations with regard to GMP as it affects issue price and impacts investment decisions of investors. Any vacuum in Regulations cannot be allowed to be used for perpetrating fraud upon investors by unfair means. Absence of Regulation does not give exemption to commit wrong much less a fraudulent and unfair act.

63. Normally, $GMP = \{\text{Grey Market Price}\} - \{\text{IPO Upper Price Band}\}$. The primary drivers of GMP are –

- **Demand and Supply:** The primary basis for the premium is the anticipated supply of shares versus investor demand. High oversubscription often results in a higher GMP, while low subscription leads to a lower or negative GMP.
- **Market Sentiment:** GMP is a direct reflection of investor optimism or pessimism about the stock's listing day performance.
- **Company Fundamentals:** A strong business model, solid financials, and brand reputation generally command a higher premium.
- **IPO Pricing:** If the company's IPO valuation is perceived as undervalued by investors, the GMP tends to be higher.

64. The above factors are not sacrosanct and they do not come from any regulatory mandate. These are factors commonly perceived in the market. In this case, the financials and brand name of VJL or its promoters were not strong enough to evince interests of common investors. This shows, that the GMP, in this case, was not based on primary factor of demand and supply. It was also not based on market sentiment as the investors zeal was primarily enticed by exaggerated promotions. Thus, the such announcements and portrayal of rosy picture indicate



a purpose and design. The financial health of VJL as disclosed in its Prospectus was as following: -

Table-5: Financials of VJL:

As per Prospectus dated June 22, 2022:

- a) Profit after tax of VJL was ₹1.07 lakh as at March 31, 2021 and ₹0.71 lakh as at March 31, 2020, respectively.
- b) Further, as per Prospectus, PAT as on December 31, 2021 is mentioned as ₹21.4 lakh.
- c) Brief of financials as per Prospectus is reproduced below:

(Figures in ₹lakh)

Particulars	As on Dec. 2021	FY 2020-21	FY 2019-20	FY 2018-19
Revenue	1,002.64	463.28	1094.86	165.32
EDITA	26.17	3.81	1.38	20.79
PAT	21.40	1.07	0.71	8.27

Post-listing financial highlights of VJL are given below:

(Figures in ₹crore)

Particulars	As at FY ended Mar 31, 2022	As at half-year ended Sep 30, 2022	As at FY ended Mar 31, 2023
Total Income	12.26	4.94	18.80
Expenditure	12.23	-4.94	-18.73
Net Profit/ Loss	0.03	0.00	0.04

65. Further, as per the Prospectus, VJL had to use the issue proceeds mainly for its working capital needs which is intended for its activities in Jewellery business and for the General Corporate Purposes. But for the misleading promotion highlighting GMP with ostensible catchy statements, the issue could not have evinced interests of subscribers to the IPO of VJL. This fact is evidenced from the fact that while such promotions were circulating the SME IPO of VJL was subscribed 1.76 times the issue size. However, after regulatory intervention, exit offer was provided by VJL to all the subscribers and the IPO timeline was extended by three days for providing 'exit' to the subscribers, the IPO was undersubscribed and Noticee No. 6 had to underwrite the unsubscribed portion of 5,04,000 shares.

66. The argument of Noticees No.1 and 2 that, they were not bothered about subscription in IPO since Noticee No.6 was appointed as merchant banker to look after IPO and the issue was underwritten by it, is also rejected for these reasons. Noticee No. 6 had inherent interest of avoiding its underwriting obligations which was devolved upon it due to undersubscription due to regulatory intervention.



67. I, therefore, reject all such contentions of the Noticees in this regard and hold that the contents of the Zee article and You Tube Videos were misleading and the announcement /proclamations therein were made with design to entice and induce the investors to subscribe to the SME IPO of VJL which was otherwise almost impossible to fulfil the appetency of Noticees No.1 and 2 without incurring liability for devolvement on Noticee No.6, the underwriter to the issue. The act of publishing and circulating such articles and videos as in this case certainly fall within the prohibitions under Section 12A of the SEBI Act and Regulations 3 and 4 of the PFUTP Regulations.

B. Who were responsible for publishing/display or caused to be published /displayed the impugned announcements in the Zee article and You Tube Videos?

68. Admittedly, Zee News or Zee Media Corporation Limited have not published the Zee article on their own. In fact, they had given disclaimer in the said article is consumer connect initiative and is a paid publication and does not have journalistic/editorial involvement and they claim no responsibility whatsoever. Thus, certainly it is those, who have direct or indirect interest in the said article and YouTube videos, are responsible for their publication/display to public.

69. The genesis of charging Noticees No.1 to 11 with regard to the misleading and consequently fraudulent announcements is that they all were acting in league with knowledge and collusion amongst them. The crux of charge in the SCN is that Noticee No. 2 wanted to list VJL shares on SME platform of BSE and hence consulted Noticee No. 5 who in the past had got his company listed. In that pursuit, Noticee No. 5, a confidante of Noticee No. 2 approached Noticee No. 6, the merchant banker in respect of the IPO. Noticee No.5 is well-acquainted with officials (Noticees No. 7 and 8) of Noticee No.6. Noticee No. 6 then engaged Noticee No. 9, a company owned and managed by Noticee No. 10. Noticee No. 7 and 10 were acquaintances and there were phone calls (approx. 2000 times) between them along with a fund transfer which is discussed in the later part of the order. Noticee No. 9, was into the business of carrying out activities relating to IPO marketing, public relation, social media marketing, etc. and the misleading Zee News article and YouTube videos in relation to SME IPO of VJL were published/ displayed by Noticee No. 9. Noticees No. 10 and 11 are key persons associated with Noticee No.9 and they both were involved in publication/display of Zee News article and YouTube videos in relation to SME IPO of VJL.



Noticees 1 -4.

70. According to Noticees No. 1 and 2, the investigation has not found anything against them but have generalized to allege that they were also involved in said fraudulent scheme devised to knowingly publish information in relation to SME IPO. Noticee No.1 was introduced to Noticee No. 6 by Noticee No.5, yet mere such introduction does not violate any rules or regulations. Noticee No.5 being a Chartered Accountant was concerned with Noticee No.1 only for professional for company law related compliances and not in relation to issue of shares. Noticee No. 2 was associated with Noticee No.5 on calls for consultation of ROC work before MCA only and not in relation to issue related work.
71. Noticees No. 3 and 4 have claimed that they do not share any connection with any person/entities who were allegedly involved in publishing misleading Zee article and other misleading publicity material including YouTube videos in relation to SME IPO of VJL. They are not involved in publishing misleading Zee article and other misleading publicity material including YouTube videos in relation to SME IPO of VJL in any manner whatsoever. Therefore, it cannot be alleged that these Noticees were part of any fraudulent scheme devised to knowingly publish information in relation to SME IPO of VJL that was misleading and that was likely to influence the decision of investors or induce sale and purchase of securities. The only connection between Noticee No. 3 and Noticee No.2 is that it had transferred shares of VJL (unlisted at that point in time) to former on 02.04.2021. Noticee No.6 was the merchant banker of Noticee No.3 at the time of its IPO during the year 2018-19. Apart from the aforesaid, there is no other relation or acquaintance with Noticee No.6. Noticee No.3 knows Noticee No.5 as a Chartered Accountant and on few occasions, it had availed his professional services as a Chartered Accountant. Noticee No.3 had availed professional help of Noticee No.5 w.r.t. certain ROC filing and Demat of physical shares of VJL held by it.
72. Admittedly, the main intent of Noticee No.1 and 2 was to list VJL on BSE so as to get it public exposure. Noticee No.1 and 2 are the direct beneficiaries of the device/plan as the plan was orchestrated to ensure full subscription of the IPO, the chances of getting which was otherwise very bleak resulting in devolvment or failure of IPO. Noticee No.3 and 4 are connected entities. Noticee No. 4 is a director in Noticee No.3. Noticee No.3 was the largest shareholder in Noticee No.1 and had been given additional bonus even without being a member of VJL and had opportunity to exit after listing at an attractive price if the IPO was fully subscribed and



listed on BSE. Noticee No.4 was actively instrumental in such share acquisition by Noticee No.3.

73. It is admitted position Noticee No.1 did not have sound financials. Noticee No.2, MD, VJL looked after the operations of VJL as a jewellery store, and did not possess knowhow regarding various compliance and regulatory requirements of a listed/ to be listed company. Still VJL and Noticee No.2 desired to list VJL on BSE. Noticee No.5, an acquaintance rather a confidante of Noticee No.2, was assisting him in various processes relating to SME IPO of VJL, including coordinating with Noticee No.6.

Noticee No. 5

74. He has claimed that he was not part of any fraudulent scheme devised to knowingly publish information in relation to SME IPO of VJL that was misleading and that was likely to influence the decision of investors or induce sale and purchase of securities. Noticee No.2 is his distant relative. Noticee No.2 was not involved in day-to-day business or working of VJL and was not involved in the processes relating to SME IPO of VJL. Noticee No.2 had asked him for assistance in providing help w.r.t. ROC and secretarial work of VJL as he did not have any experienced people who were aware of the subject matter and he was aware that Noticee No.5 had expertise in handling ROC and secretarial related work. Noticee No.2 had directly approached Noticee No.6 for SME IPO of VJL. Pursuant thereto, Noticee No.2 had given his reference to Noticee No.6. Coincidentally, officials of Noticee No.6 knew him.
75. It is noted that Noticee No.5 is well-acquainted with Noticee No.1, Noticee No.2, Noticee No.3 and Noticee No.6; and that he was actively involved in facilitating SME IPO of VJL. Noticee No.5 *inter alia* had e-mail communication with Noticee No.6 in relation to SME IPO of VJL and has connection with Noticee No.2 being in acquaintance with him. Noticee No. 6 was engaged by Noticee No.1 on introduction by Noticee No.5. Noticee No.7, President – Operations of Noticee No.6 had numerous calls (approx.2000) with Noticee No. 10 for long durations during period from January 2022 to August 2023 (including during the period of SME IPO of VJL), and such calls also include several outgoing calls being made by Noticee No.7 himself. Noticee No.7 had received an amount of ₹50,00,000 from Noticee No.10 on 03/04/23. During investigation Noticee No.7 made false and misleading submissions. Noticee



No.8, President of Noticee No.6 was an acquaintance of Noticee No.5 and an independent director in Noticee No.3. Noticee No. 11 became director of Noticee No.9 during March 2022.

76. Noticee No.2 and Noticee Number 5 had numerous call with each other during relevant period. Noticee No.5 has *inter alia* claimed that he had guided Noticee No.2 telephonically for ROC matter work for private limited company in relation to MCA. It was, however, noted that VJL got converted to a public limited company on January 17, 2020; and the calls between Mr. Noticee No.2 and Noticee No.5 were, *inter alia*, during the period of SME IPO of VJL. Thus, the said claim of Noticee No.5 is untrue and false.

Noticees No. 6, 7 and 8.

77. According to these Noticees, a Merchant Banker is not required, and cannot reasonably be expected, to monitor or control independent promotional activities of private market participants, shareholders or media houses that operate entirely outside its knowledge and control. Noticee No.6 did not draft, authorise or approve the “₹7 GMP” figure cited in the Zee article. Grey Market Premium is an entirely unofficial and unregulated figure. It is pertinent to note that in the past also Noticee No.6 had not hired any agency for advertisement of IPO to facilitate subscription. It was a calculated business risk taken by Noticee No.6 to underwrite the unsubscribed portion of the issue. In the past also Noticee No.6 had underwritten the issue and in the same way VJL issue was underwritten. Hence no wrongdoing can be attributed to such actions of Noticee No.6. There is not a single piece of documentary evidence viz. contract, invoice, payment records, emails, messages etc. to show that Noticee no.6 had directed any entity to publish the claimed “GMP of ₹7” or any other misleading content. Noticee No.6 had no relationship or privity with Zee News or Zee Media Corporation Limited. The impugned Zee article was the product of a paid promotion arranged by a third-party PR agency (Crazy Chaps / Elkay Advertising) wherein Noticee No.6 had no role, no knowledge, and no involvement whatsoever.
78. Noticee No. 6 was the lead manager to the issue of shares of VJL. Noticee No. 7 (President – Operations of Noticee No. 6) has in his statement on oath has stated that the assignment relating to SME IPO of VJL was sourced by Noticee No. 6 through Noticee No. 5. I note that the employees of Noticee No. 6 i.e Noticee No. 7 and 8 were in some way connected to Noticee No. 5. For instance, Noticee No. 8 who was the President of Noticee No. 6 was also the director



in Veeram Securities Ltd. from 2018 to 2022 where Noticee No. 5 and his wife were the directors (promoters). Noticee No. 8 was also the director of Noticee No. 3 from January 11, 2019 to February 24, 2024. Thus, Noticee No. 6 along with Noticee No. 7 and 8 were connected to Noticee No. 5 who was in turn was connected to Noticee No. 1 and 2. The role of Noticee No. 5 in actively facilitating SME IPO of VJL is discussed in the earlier paragraphs.

79. Noticee No. 7 has denied all connection/association with Noticee No. 10. Similarly, Noticee No. 10 has also denied any acquaintance/connection with Noticee No. 6 or any of its directors/employees including Noticee No. 7. As regards CDR in his various mobile numbers (total 6 different mobile numbers), Noticee No.7 has submitted that:-

- (a) He saved one of these numbers by “*Junior Bachchan*” in his mobile as he did not know the identity of that person who had said his name is “*junior*” so Noticee No.7 saved his number as *Junior Bachchan*. The nickname “*Junior Bachchan*” is his personal habit and carries no ulterior significance.
- (b) The number saved as “*M.A Shah Mahendra Mama*” whom he knows from 2021-22 and he approached Noticee No.7 regarding listing of few companies but he did not entertain as the companies did not meet eligibility criteria. The number saved as “*Mahendrabhai Mama New*”. He is the same as ‘*M.A Shah*’.
- (c) The communications with Noticee No. 10 was solely related to their private land deal. There is no evidence on record to show that any conversation was with regard to the IPO of Veerkrupa Jewellers Limited or the publication of any article in Zee News.
- (d) The land sale transaction occurred in April 2023 whereas the IPO in question of VJL was in July 2022. A notarized Agreement to Sale dated 01.04.2023 between Noticee No. 7 (Vendor) and Noticee No. 10 (Purchaser), along with the corresponding payment receipt and land records are on record. Noticee No. 7 has relied on the Order of Hon'ble SAT in the matter of *Appeal No. 714 of 2023 (Punit Goenka vs. SEBI)*, wherein it is held that SEBI should consider the documents and its contents to find out the purpose of the transaction.

80. Noticee no. 10 has *inter alia* contended that call data shows a consistent and regular pattern of communication that pre-dates the IPO, continues during it, and persists long after it, proving it



was not a relationship formed for the specific purpose of SME IPO of VJL. The SCN has wrongly drawn a sinister inference from routine communication, which was consistent with their pre-existing personal and business association.

81. I find that CDRs reveal that Noticee No. 7 had numerous phone calls with phone numbers which belonged to Noticee No. 10 and/or his family members. He had approx. 2,000 calls over various numbers of Noticee No. 10 and such calls were also made during the SME IPO of VJL. An analysis of bank statement further revealed that in April 2023, Noticee No. 7 had received an amount of Rs.50,00,000/- in his ICICI bank from the IDFC account of Noticee No. 10. Noticee No. 7 has submitted that the amount was received from Noticee No. 10 for a sale of land in Pawna near Pune owned by his family. I find that the investigation tries to establish this very association between the two Noticees wherein, based on this pre-existing relationship Noticee No. 6 (where Noticee No. 7 was employed) engaged the services of Noticee No. 9, a company associated with Noticee No. 10. A simplistic conclusion being that Noticee No. 6 engaged Noticee No. 9 for VJL's IPO marketing due to Noticee No. 7's connection with Noticee No. 10.

82. Noticee No. 7's failed attempt at the time of the first statement recording, during the second statement recording before IA and in these proceedings, has been to distance himself from Noticee No. 10 by stating that Noticee No. 10 is someone who is saved in his phone as *Junior Bachchan* and that he did not know the identity of the person. Noticee No. 7 has put his best effort to hide his acquaintance and connection with Noticee No. 10 although he has confirmed his calls with person having names "*Mahendrabhai Mama New 'M.A Shah' and M.A Shah Mahendra Mama*" who is none other than Noticee No.10.

83. It is intriguing to note the naivety of Noticee No. 7 that he did not know the identity of the person with whom he had approx 2000 calls with and even made a land deal of Rs.50,00,000 Noticee No. 7 and Noticee No. 10 both have confirmed the calls between them claiming a consistent and regular pattern of communication that pre-dates the IPO. I note that such calls have continued during the IPO and persisted long after it. I note that during the examination on oath, Noticee No. 7 and 10 had denied connection/association with one another. Lying on oath is a grave offence. Notices have not only obstructed investigation, but have undermined the fact-finding and evidence gathering exercise of SEBI which is for the purpose to fulfil its regulatory mandate.



84. Where a person adopts disguise to mislead others, the law can look beyond appearances and judge by substance rather than form. The masquerade cannot be used as a shield for fraud, evasion, or deception, because justice is concerned with what is real, not what is merely presented. Masquerade, by its very nature, is a deliberate concealment of identity and truth. I find that Noticee No.7 has masqueraded the identity and made false statements before the IA and these proceedings. He cannot claim benefit of decision in the matter of *Punit Goenka vs. SEBI* as the SCN does not insinuate that the fund transfer was for transactions concerning VJL. The reference of fund transfer was made in the SCN to demonstrate that Noticees No. 7 and 10 were known to and were an acquaintance and had dealings with each other.
85. It cannot be just a coincidence that Noticee No. 6 engaged the services of Noticee No. 9, a company specialising in activities relating to publicity of IPO of companies, to provide a full suite marketing and promotional services in relation to SME IPO of VJL. It has direct benefit if IPO was fully subscribed as it could conveniently avoid its devolvement obligations of underwriting an issue which was otherwise not possible in this case. Thus, I find that Noticees No. 6 to 8 were party in the fraudulent plan in this case.
86. An additional charge against Noticee No.6 is that it has violated the provisions contained in Clause 1(a) of Schedule IX read with Regulation 263 of ICDR Regulations and Clause 4 and 6 of Schedule III read with Regulation 13 of the Merchant Bankers Regulations. The basis of this charge is that the publication of misleading contents in Zee article and YouTube videos were not in conformity with the ICDR Regulations. The Form SH-4 relied upon by Noticee No. 6 in support of transfer of shares between Noticee No. 2 and 3 was partially filled form not executed in a proper manner and the details mentioned therein were factually inconsistent. The Prospectus further stated that Noticee No. 2 transferred shares of VJL for cash consideration, however, consideration in lieu of transfer of shares were received on piecemeal basis and that too after a long delay.
87. The Noticee No. 6 has contended that it cannot reasonably be expected, to monitor or control independent promotional activities of private market participants, shareholders or media houses that operate entirely outside its knowledge and control. Noticee No. 6 did not draft, authorise or approve the GMP figure cited in the Zee article nor did it hire any agency for advertisement of IPO to facilitate subscription. Noticee No. 6 has further contended that upon



learning of the misleading Zee News article, it immediately took every possible remedial step to protect investors and market integrity. For instance, July 5, 2022, Noticee No. 6 advised VJL to immediately write to BSE denying any connection with the misleading article and declaring it a fraudulent advertisement issued by a third party to sabotage the IPO; corrigenda were published in multiple newspapers (Suryakala, Financial Express, Jansatta) on July 6 and 7, 2022; On July 6, 2022, VJL (under Noticee No. 6's guidance) filed a police complaint at Naroda Police Station, Ahmedabad and with the Cyber Crime Department; Noticee No. 6 wrote directly to Zee Media Corporation Limited seeking information about the source and mandate for the impugned publication, etc.

88. It is worth mentioning that Regulation 263 of the ICDR Regulation mandates that all public communications, publicity materials, advertisements and research reports shall comply with provisions of Schedule IX. Schedule IX of the ICDR Regulations states that all public communication including advertisements, publicity material and research reports shall contain only such information as contained in the draft offer document/offer document. Further, such information shall be truthful, fair and not be manipulative or deceptive or distorted and shall not contain any statement, promise or forecast which is untrue or misleading. As per regulation 13 of the Merchant Bankers Regulations, every merchant banker shall abide by the Code of Conduct as specified in Schedule III. Under clause 4 of Schedule III, a merchant banker shall at all times exercise due diligence, ensure proper care and exercise independent professional judgment. As per clause 6, a merchant banker shall ensure that adequate disclosures are made to the investors in a timely manner in accordance with the applicable regulations and guidelines so as to enable them to make a balanced and informed decision.

89. The Hon'ble Supreme Court in the matter of *Chander Kanta Bansal vs. Rajinder Singh Anand*⁸ held that due diligence in law means reasonable diligence and doing "*everything reasonable, not everything possible*". In this context, while elaborating the concept of due diligence, the Court has held that - "*.....The words 'due diligence' have not been defined in the Code of Civil Procedure, 1908. According to Oxford Dictionary (Edn. 2006), the word 'diligence' means careful and persistent application or effort. 'Diligent' means careful and steady in application to one's work and duties, showing care and effort. As per Black's Law Dictionary (18th Edn.), 'Due Diligence' means the diligence reasonably expected from, and ordinarily exercised by,*

⁸ (2008) 5 SCC 117



a person who seeks to satisfy a legal requirement or to discharge an obligation. According to Words and Phrases by Drain Dyspnea (Permanent Edn. 13-A) "due diligence", in law, means doing everything reasonable, not everything possible. "Due Diligence" means reasonable diligence, it means such diligence as a prudent man would exercise in the conduct of his own affairs...."

90. The diligence that is expected of a Merchant Banker in a given case is such care as would be taken by a reasonable person. It would be the diligence or care a reasonable person would employ in a given situation. Degree of such care or diligence would, undoubtedly, differ from case to case and no straight-jacket formula can be prescribed by law. As already noted, the principle of due diligence is, by nature, incapable of being defined in precise terms and has, therefore, been left open or flexible to be determined in each case as per the existing facts and circumstances.
91. As noted Noticee No. 6 was the lead manager to the issue of SME IPO of VJL. Regulation 263 read with Schedule IX of the ICDR Regulation mandates that (i) all public communications/publicity materials/ advertisements shall contain only such information as contained in the draft offer document/offer document; (ii) such information shall be truthful, fair and shall not contain any statement or forecast which is untrue or misleading. I find that the impugned Zee article and YouTube videos highlighting GMP of ₹7 on the issue price of shares of VJL was not only misleading but also not available in the offer document. The Zee article highlighting the GMP was a major public communication which was not only misleading but was likely to influence the decision of the investors and induce sale and purchase of securities. Pursuant to the aforesaid misleading promotion highlighting GMP, the SME IPO of VJL did get over-subscribed 1.76 times the issue size. Merchant Bankers have a crucial role to play in listing and IPO process. Merchant Bankers act as intermediaries between the issuer and investors, facilitating the preparation, promotion, and management of the IPO process. In terms of the Merchant Bankers Regulations, I find that Noticee No. 6 was duty bound to ensure that the investors were provided with true and adequate information, without any misleading or exaggerated claims or misrepresentation. Even if it is agreed that Noticee No. 6 may not have been able to monitor and control all promotional activities, I find that the Zee article came out in June 23, 2022 and the Noticee took post remedial step only after July 5, 2022, after a lapse of almost two weeks. Being a Lead Manager, Noticee No. 6 ought to have



issued a clarification or a statement promptly to the investors. However, Noticee failed to issue any such clarification immediately. I find that Noticee No. 6 failed to exercise due diligence and did not clarify or caution investors on such misleading advertisements which fell short of his duties as a Lead Manager with respect to due diligence and investor protection under the MB Regulations. Being a mute witness to such misleading advertisement instead shows that Noticee was equally responsible for not acting in the interest of investors.

92. As regards Form SH-4 and transfer of shares of VJL, Noticee No. 6 has contended that at the time when the Prospectus was finalized, the 3,75,000 shares in question had already been dematerialized and stood credited in the demat account of Noticee No. 3 with the Depository. Both the RTA and the Depository had confirmed this position. Noticee has contended that it acted reasonably and appropriately by relying on the official shareholding pattern and the confirmations provided by the RTA. To impose upon a Merchant Banker the obligation to independently re-verify what has already been confirmed by two statutory bodies would be to impose an impossibly high and unrecognized standard. I note that a Merchant Banker is responsible for adequacy and veracity of all disclosures in the prospectus. He must exercise independent due diligence to verify the veracity and adequacy of all information rather than merely relying on the statements/undertakings of others. An onerous duty is cast on the Merchant Banker which enables subscribers to take judicious and informed decision. I note that Noticee No. 6 did not merely rely on the Form SH-4 but also on the records of Depository and RTA. In terms of a “reasonable person” standard, no doubt would have arose in the mind of Noticee No. 6 with respect to the transfer of shares. I further note from the records that as regards the aspect relating to purported transfer of shares of VJL prior to its listing, a reference was made to MCA by SEBI. In the reference, the inappropriate execution of Form SH-4, delayed payment and receipt of consideration, allotment of 6,00,000 bonus shares which may not be considered to be valid etc., were highlighted. I note that exit option to subscribers were given at the behest of SEBI/BSE. Considering active role of Noticee No 6 and its two Presidents i.e. Noticees No. 7 and 8 in the fraudulent scheme in this case which has already influenced the decisions of subscribers, subsequent steps, if any, taken will be of no help in the facts and circumstances of this case.



93. I, therefore, find that the violation of Clause 1(a) of Schedule IX read with Regulation 263 of ICDR Regulations and Clause 4 and 6 of Schedule III read with Regulation 13 of the Merchant Bankers Regulations stands established against Noticee No. 6.

Noticee No. 9, 10 and 11

94. Noticees 10 and 11 have denied any role and attempted to justify their connections with few entities as alleged in the SCN as *bona fide* connection. Noticee No.10 has also contended that the SCN has held it liable based on inference and association with Noticee No. 9, but there is no direct link to show the funding of the article or YouTube videos by the Noticee No.10. The Noticee is also not referred in the *modus operandi* of video/news article. The allegation of payment of rent of Noticee No.9 by Noticee No. 10 is erroneous as the fund transfers with Noticee No.11 were for business purpose regarding '*Bazaar Baazigar App*'.
95. Noticee No. 11 has denied any relation with publication of the Zee article and other publicity material in relation to SME IPO of VJL. Noticee No. 11 in his letter dated October 18, 2022 had inter alia submitted that one Mr. Mohd Wasim Iqbal Nagori, had approached him for "PR and Road Show" for the upcoming IPO of VJL and that he introduced Mr. Nagori to Ms. Chandrakar for PR related work for IPO. Consequently, Noticee No. 11 during his statement of examination on oath on November 07, 2023 *inter alia* submitted that— ..I am aware of this article. The same was created by employee of Stockk Seva viz, Alisha Chandrakar upon instructions of Dipak Salvi. Stockk Seva is not involved in the same in any manner. As far as my involvement is concerned, I connected Dipak Salvi with Alisha Chandrakar... '.
96. The objects of Noticee No. 9 as declared in its Memorandum of Association is '*...To carry on the business of digital marketing, social media marketing, share market advice and share market video...*'. As per details mentioned over its website, it is into the business of carrying out activities relating to IPO marketing, public relation, social media marketing, search engine optimisation etc. As per documents available on record, its trading/ demat accounts were under the name of Noticee No. 10 with brokers/ DPs viz. Marfatia Stock Broking Pvt Ltd, Pramodkumar Jain Securities Pvt Ltd, Red Ribbon Stock Broking Pvt Ltd, and Bhansali Value Creations Pvt Ltd. Noticee No.10 is acquainted/ connected with Mr. Rajesh Bhikhalal Shah, one of the founding directors of Noticee No. 9.



97. As per online articles dated December 15-17, 2021 appearing over various news portals/ online media channels viz. www.mid-day.com, www.edtimes.in, www.issuewire.com, www.themagazineplus.com www.abnewswire.com etc. – ‘...Mr. Megh Shah has developed multiple successful businesses in the FinTech industry, two of them being Stock Seva & Bazaarbazigar...’. Noticee No. 11 was mentioned as the ‘Media Contact’ in most of these articles.
98. Noticee No. 11 made inconsistent and misleading statement during investigations as brought out in the SCN. While, in his statement on oath, he *inter alia* submitted before the IA that Mr. Anil Pankajbhai Thakor was the founder director of Noticee No. 9 and that he joined during March, 2022, in response to the summons dated April 27, 2023 issued by the IA, vide his letter dated May 09, 2023, he *inter alia* stated that- “..... I funded this project on my own because it was important to me. I registered a company called “M/s StockkSeva Marketing Pvt Ltd” for the project...”. Again, vide his e-mail dated January 30, 2024 he admitted his connection with Noticee No. 9 as ‘My Own Company’. Thus, his statement given on oath that it was Mr. Anil Thakor who was the founder director of Noticee No. 9 was incorrect and lacks credibility. It is established the he was in charge of activities of Noticee No. 9 at all relevant times when the impugned Zee article was published. Details available over MCA/ Corpository website showed Noticee No. 11 an Additional Director (Promoter) of Noticee No. 9 w.e.f. March 23, 2022.
99. Noticee No. 11 joined Noticee No. 9 during March 2022 as a director after one of the founding directors viz. Mr. Rajesh Bhikhalal Shah ceased to be a director. The initial subscription amount paid by Mr. Rajesh Bhikhalal Shah was returned to him by Noticee No.11 upon receipt of money from Noticee No. 12. Noticee No. 11 received amount to the tune of ₹25,000 from Noticee No. 10 for the first time on May 10, 2021. Prior to that, during the period from January 01, 2021 to May 10, 2021, there were around 810 transactions with an average value of ₹975 per transaction. Thereafter, the scale of transactions started rising gradually with frequent receipts from Noticee No. 10. The rent for the office premises of Noticee No. 9 was being paid by Noticee No. 11 on receipt of receipt of funds from Noticee No. 10/12 as shown in the following table:



Table-6

Date	Transaction Details	Credit (₹)	Debit (₹)
03/03/22	CASH DEP JUHU GULMOHA	2,50,000	
03/03/22	IMPS-206214378669-TARUN A2-ICIC-XXXXXXXXX9404-OFFICE 1		1,00,000
03/03/22	IMPS-206214377757-TARUN A2-ICIC-XXXXXXXXX9404-OFFICE 2		50,000
03/03/22	IMPS-206214380219-TARUN A1-ICIC-XXXXXXXXX9408-OFFICE 3		1,00,000
17/03/22	IMPS-207616589900-MR. SHAH MEGHKUMAR M-IDFB-XXXXXXXXX4588-	40,000	
17/03/22	IMPS-207616194641-TARUN A1-ICIC-XXXXXXXXX9408-P1		20,000
17/03/22	IMPS-207616197730-TARUN A2-ICIC-XXXXXXXXX9404-P2		20,000
04/04/22	CASH DEPOSIT-XXXXXXXXXX2365-NULL BAZAR	25,000	
04/04/22	CASH DEPOSIT-XXXXXXXXXX2365-NULL BAZAR	25,000	
04/04/22	CASH DEPOSIT-405988XXXXXXXXX3817-ANDHERI WEST - INDRALOK	22,000	
04/04/22	CASH DEPOSIT-405988XXXXXXXXX3817-ANDHERI WEST - INDRALOK	15,500	
04/04/22	CASH DEPOSIT-405988XXXXXXXXX3817-ANDHERI WEST - INDRALOK	6,000	
04/04/22	CASH DEPOSIT-405988XXXXXXXXX3817-ANDHERI WEST - INDRALOK	500	
05/04/22	IMPS-209500304067-TARUN A1-ICIC-XXXXXXXXX9408-PART1		40,000
05/04/22	IMPS-209500305136-TARUN A2-ICIC-XXXXXXXXX9404-PART 2		40,000
05/05/22	IMPS-212512632528-SALVI DIPAK MATHURBH-KKBK-XXXXXX6270-MB: RENT	80,000	
05/05/22	IMPS-212512373619-TARUN A1-ICIC-XXXXXXXXX9408-RENT P1		40,000
05/05/22	IMPS-212512375269-TARUN A2-ICIC-XXXXXXXXX9404-RENT P2		40,000
03/06/22	IMPS-215412284134-MR. SALVI DIPAK MATH-IDFB-XXXXXXXXX7907-	80,000	
03/06/22	IMPS-215412319961-TARUN A1-ICIC-XXXXXXXXX9408-RENT		40,000
03/06/22	IMPS-215412321328-TARUN A2-ICIC-XXXXXXXXX9404-RENT		40,000
05/07/22	IMPS-218609707746-MR. SHAH MEGHKUMAR M-IDFB-XXXXXXXXX4588-	3,00,000	
05/07/22	IMPS-218616361704-TARUN A1-ICIC-XXXXXXXXX9408-RENT P1		40,000
05/07/22	IMPS-218616361873-TARUN A2-ICIC-XXXXXXXXX9404-RENT P2		40,000
03/08/22	CASH DEP ANDHERI LOKH	2,10,000	
03/08/22	IMPS-221509184353-TARUN A1-ICIC-XXXXXXXXX9408-RENT P1		40,000
03/08/22	IMPS-221509183886-TARUN A2-ICIC-XXXXXXXXX9404-RENT P2		40,000
02/09/22	CASH DEP ANDHERI LOKH	1,27,000	
02/09/22	IMPS-224514200561-MR SHAH MEGHKUMAR M-IDFB-XXXXXXXXX4588-IMPSTXN	4,00,000	
02/09/22	IMPS-224514348220-TARUN A1-ICIC-XXXXXXXXX9408-R1		40,000
02/09/22	IMPS-224514351092-TARUN A2-ICIC-XXXXXXXXX9404-R2		40,000
01/10/22	IMPS-227414394567-MR SALVI DIPAK MATH-IDFB-XXXXXXXXX7907-IMPSTXN	2,41,000	
01/10/22	IMPS-227414369163-TARUN A1-ICIC-XXXXXXXXX9408-RENT		40,000
01/10/22	IMPS-227414370315-TARUN A2-ICIC-XXXXXXXXX9404-RENT		40,000

100.Mr. Tarun Aggarwal/ Ms. Reeta Aggarwal/ Mr. Brijbhushan Agarwal, the owners of the office premises of Noticee No. 9, vide their e-mails dated January 10, 2024 confirmed that the above payments by Noticee No.11 were towards rental of office properties having address at C-205 and C-206, Crystal Plaza, Andheri West, Mumbai. A copy of the leave and license agreement was also provided by them proving lease transaction. Further, Noticee No. 11 was making payment of salary to the staff of Noticee No. 9 upon receipt of funds from Noticee No.10/12 as described in the SCN. Noticee No. 10 has contended that payments towards the rent of Noticee No. 9's office premises (at Crystal Plaza) is an erroneous inference, unsupported by



the evidence. Noticee No. 10 has contended that the rent payments made by Noticee No. 11 for the premises of Noticee No. 9 were a consistent Rs. 80,000 (paid in two tranches of Rs. 40,000), however, the funds transferred by Noticee No. 10 to 11 show no correlation to this amount. If, as alleged, Noticee No. 10 was funding the rent, the transfers would logically be in consistent multiples of Rs. 80,000. Noticee No. 10 has submitted that the discrepancy in the amount transferred and the actual rent amount proves that these funds were provided for other legitimate business purposes, like the '*Bazaar Baazigar App*'.

101. On perusal of Table 7 above, I note that payment of rent for the premise of Noticee No. 9 has occurred subsequent to the credit of fund from Noticee No. 10 and 12 and that too on the very same date. This implies that rent for the premise of Noticee No. 9 was being paid only upon transfers of fund from Noticee No. 10 and 12. I do note that there is a difference in amount credited by Noticee No. 10 and the rent amount transferred, however, the purpose of showing the source of fund for the payment of rent of the premise of Noticee No. 9 is to demonstrate the connection among Noticee No. 10 and 12 with Noticee No. 9. This I find is established beyond any doubt.

102. As regards the allegation that salary payments to the staff of Noticee No. 9 were undertaken by Noticee No. 11 *inter alia* upon receipt of funds from Noticee no. 10 and 12. This allegation is also denied by Noticee No. 10 stating the discrepancy in the the amount transferred by Noticee No 10 and the total amount in salaries transferred. I note that upon receipt of funds from Noticee No. 10/12 there were debit entries in the nature of salary to the employees of Noticee No. 9 and/or M/s Ekana Technologies Ltd (a company set up by Noticee No. 11 for which fund was received from Noticee No. 12). All debit entries for salary were made as soon as funds were received from Noticee No. 10 and 12. For instance, on 3/6/2022 a credit of Rs. 60,708/- was received from Noticee No. 12 and on the same date three debit entries of amount consisting Rs. 34,840/-, Rs. 15,000/- and Rs. 15,000/- (totalling Rs. 64,840/-) were made as salaries. Again, on 5/7/2022 there was a credit entry of Rs. 3,00,000/- from Noticee No. 10 and on the same date there were 5 debit entries amounting to Rs. 54,000/- in salaries. Similarly, on 2/9/2022 and 1/10/2022 there was a credit entry of Rs. 4,00,000/- and Rs. 2,41,000/- from Noticee No. 10 and 12 and debit entries on the same date of Rs. 47,817/- and Rs. 2,14,000/- as salaries to the employees of Noticee No. 9 and M/s Ekana Technologies Ltd. I note that credit entry of funds from Noticee No. 10 and 12 are consistent and monthly. The fund transfers for



payment of rent and payment of salaries of Noticee No. 9 leads to the conclusion that Noticee No. 10 was not only the key person associated with Noticee No. 9 but also played a pivotal role in the affairs of Noticee No. 9. Remarkably, Noticee No. 10 has vehemently argued the mismatch in the amount transferred and the actual amount of rent and salary. However, he has not corroborated with evidence the reason for such high value transfer of funds in the account of Noticee No. 11. I note that such frequent high value receipts of money from the account of Noticee No. 10 and 12 raises grave suspicion.

103. Noticee No. 11 made payment towards subscription fee to online service provider viz. www.sleek.com for getting M/s Ekana Technologies ('Ekana') registered in Singapore upon receipt of funds from Noticee No. 12. Noticee No. 11 has admitted that after closing down Noticee No. 9, he set up office in the name of Ekana Technologies Pte. Ltd. at 1314 Peninsula Park, Mumbai and all the employees of Noticee No. 9 as on date of closing of its operations joined Ekana in the same capacity.

104. All the above facts clearly establish that Noticee No. 9 was operated and managed by Noticee No. 11 when the Zee article in question was published by Noticee No. 9. These established facts are no way different from statement of Mr. Sunil Prajapati given on oath before the IA on April 13, 2023 that: *'...Both the companies viz. Ekana and Stockkseva are owned/ managed by the same person i.e. Bhavya Dhiman and his associates. During October 2022, Stockkseva stopped its operations; and the same were continued through Ekana from different office premises. The team at Stockkseva including myself, and the associated work responsibilities in relation to the promotion of IPO of companies, remained the same...'*

105. The IR details several fund transactions in the bank account of Noticee No.10 where in the counter party was a company by name M/s Udit Infraworld Pvt Ltd. Investigation revealed that commercial property having address at Office No 8, CTS No 866 B1, J P Road Village Ambivali, Near Metro Station Varsova, Andheri (W), Mumbai, 400058, and residential property having address at 1607, A Wing, CTS No 866 B1, J P Road Village Ambivali, Near Metro Station Varsova, Andheri (W), Mumbai, 400058 were sold by developer of the project viz. Adani Estates Management Pvt Ltd to Udit Infraworld Pvt Ltd. As per the employment offer letter issued by Noticee No. 9 to Ms. Alisha Chandrakar and Mr. Sunil Prajapati, the address of Noticee No. 9 is mentioned as *'Unit 108, Spaces- Inspire Hub, JP Road, Four*



Bungalow Western Heights, Andheri West, Mumbai, Maharashtra 400053'. The relevant portion of employment offer letters issued by Noticee No. 9 are as under:

Sincerely,

Bhavya Dhiman.



Signature of Acceptance:

chandrakaraalisha@gmail.com



Snapshot of offer letter issued by Stockk Seva to Ms. Alisha Chandrakar

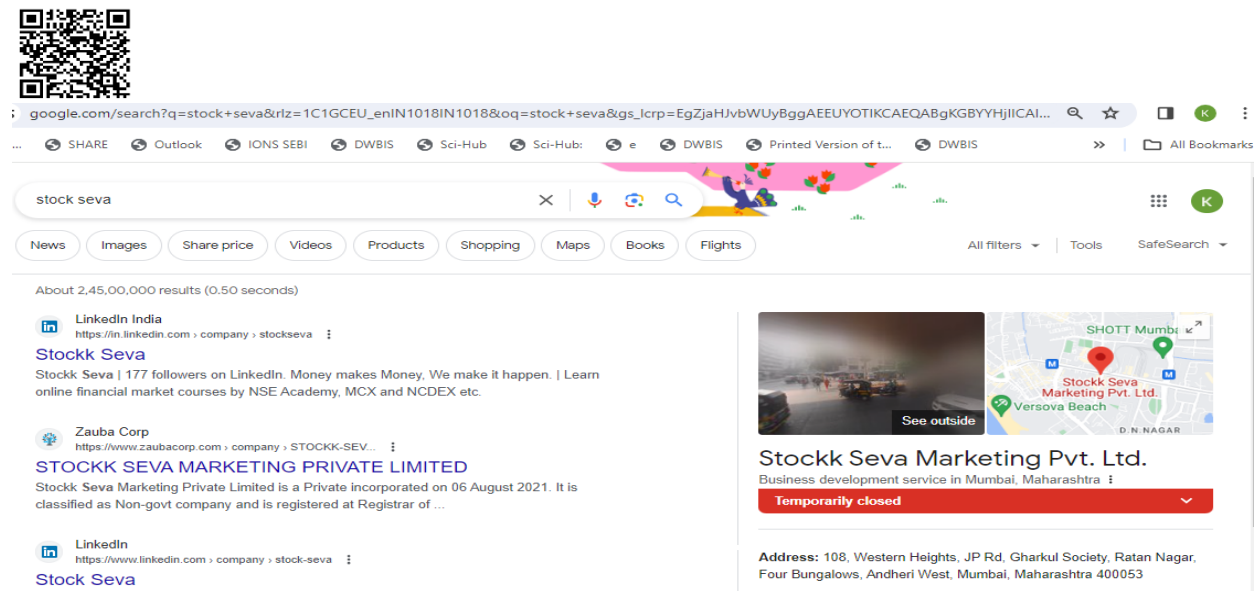
We look forward to you joining us on 9th August, 2021.
Please do not hesitate to call us for any information you may need. Also, please sign the duplicate of this offer as your acceptance and forward the same to us.
Other appointment formalities will be carried out in the office on 9th August, 2021.

Congratulations!



Snapshot of offer letter issued by Stockk Seva to Sunil Prajapati

106. An online search also reveals address of Noticee No. 9 as 108, Western Heights, Andheri West, Mumbai as following: -



Snapshot of random search online showing the address of Stockk Seva as 108, Western Heights, Andheri West, Mumbai.

107. Further, Mr. Sunil Prajapati in his statement recorded on oath *inter alia* submitted that ‘...Megh Shah used to sit at our earlier office at Western Heights by Adani at Andheri West...’. Noticee No.10 did not obey the summons issued by IA in this regard despite extension of time granted to him on his request. It is thus, established that the property(ies) at Western Heights by Adani, Andheri West, Mumbai, owned by Udit Infracore Pvt Ltd, were leased/ used by Noticee No.9 and the rental towards the same were being paid to Udit Infracore Pvt Ltd by Noticee No. 10.
108. Noticee No. 10 and 11 had sought an opportunity to cross-examine Ms. Alisha Chandrakar and Mr. Sunil Prajapati citing that the statements are based on subjective inference and assumption, not direct knowledge. Noticee No. 10 has submitted that SCN relies on the statements of Ms. Alisha Chandrakar and Mr. Sunil Prajapati to establish a link between Noticee No. 10 and the operations of Noticee No. 9. Ms. Alisha Chandrakar has in her statement dated January 23, 2024 admitted to "overhearing" conversations between the Noticee No. 10 and Noticee No. 11 to suggest that the latter received instructions. Such testimony is *hearsay*, as the witness is not testifying to facts she personally executed or witnessed, but rather to fragments of conversations she purportedly overheard. Noticee No. 11 has submitted that the foundation of the allegations against the Noticee No. 11 in the SCN is that he was involved in the publication of the article in Zee News – which is based entirely on statements given by Ms. Alisha Chandrakar and Mr. Sunil Prajapati, former colleagues of the Noticee. In support the Noticees have referred to the Privy Council judgement in the case of *Subramaniam v. Public Prosecutor* [(1956) 1 WLR 965], where it was held that evidence of a statement made to a witness by a person who is not himself called as a witness is hearsay and inadmissible when



the object of the evidence is to establish the truth of what is contained in the statement. In the matter of *Krishan Kumar v. State of Haryana* [2023 SCC OnLine SC 1180] the Hon'ble Supreme Court emphasized that under Section 60 of the Evidence Act, 1872, oral evidence must be direct in all cases and that evidence is inadmissible when it proposes to establish the truth of a statement made by other persons. While these statements will not be solely used as evidence to establish truth of Noticee No. 10's alleged connection to Noticee No. 9 or the assertion that he gave "instructions" to Noticee No. 11, their existence cannot be completely ignored if such statements support any admitted and/or established facts. In my view, the request of cross- examination of Ms. Alisha Chandrakar and Mr. Sunil Prajapati, in this case is merely a dilatory tactic. All the facts stated by these two employees of Noticee No. 9 who were guided, supervised and instructed by Noticee No. 11 are established based on material on record and that were shared with all the Noticees. The Noticees No.10 has been taking shifting stands and Noticee No. 11 has disobeyed the summons issued by the IA to him.

109. Indisputably, Ms. Alisha Chandrakar was working as 'Head Content Creator' in Noticee No. 9 where Noticee No. 11 was her 'Reporting Manager and Mentor'. Further, Mr. Sunil Prajapati was the Manager - Operations in Noticee No. 9 and Noticee No. 11 was his Reporting Manager. Noticee No. 11 had signed her employment offer letter issued by Noticee No. 9 under its letterhead. Noticee No. 11 was in constant communication with Ms. Alisha Chandrakar through whatsapp texts at the time leading to the publication of the Zee article. Texts of the WhatsApp chats between Ms. Alisha Chandrakar (mobile no. XXXXXX6012) and Noticee No.11 (mobile no. XXXXXX3598) is tabulated as following:

Table-7

Date & Time	Person	Text of WhatsApp Chat
June 22, 2022 (10:16 AM)	Alisha	Zee news – 1 lakhs 50 Thousand + GST Times of India – 2 lakhs including GST
June 22, 2022 (10:18 AM)	Alisha	Dono me se konsa?
June 22, 2022 (11:39 AM)	+91xxxxxxx3598 (Noticee No.11)	Zee news
June 22, 2022 (11:39 AM)	+91xxxxxxx3598 (Noticee No.11)	Kal tak ho jaega Zee mai?
June 22, 2022 (11:40 AM)	Alisha	Puchti hu
June 22, 2022 (11:46 AM)	Alisha	Hojyega
June 22, 2022 (11:48 AM)	+9191xxxxxxx3598 (Noticee No.11)	Pakka?
June 22, 2022 (11:48 AM)	+918075553598 (Noticee No.11)	Pehle article approve karwao



Date & Time	Person	Text of WhatsApp Chat
June 22, 2022 (12:11 PM)	Alisha	Profit of the company – [Page 43] 2019 – Rs. 8.27 lakhs Dec 2021 – Rs. 21.40 lakhs Date 29th June to 4th July IPO Price – ₹27 Issue Size – ₹8.10 Crores Listing At – BSE SME Gmp – rupee 7 Rising EPS from last 3 years.
June 22, 2022 (12:11 PM)	Alisha	ye sab dalna hai article mai ?
June 22, 2022 (12:11 PM)	Alisha	profit wagara?
June 22, 2022 (12:11 PM)	+9191xxxxxxx3598 (Noticee No.11)	Aur positive chusen dalo
June 22, 2022 (12:12 PM)	+9191xxxxxxx3598 (Noticee No.11)	Bolo gold and diamond reserve hai Recession mai aisi company hi tik pati hai
June 22, 2022 (12:12 PM)	+9191xxxxxxx3598 (Noticee No.11)	Etc
June 22, 2022 (12:12 PM)	Alisha	okay
June 22, 2022 (12:17 PM)	+9191xxxxxxx3598 (Noticee No.11)	Send bank details
June 22, 2022 (12:17 PM)	+9191xxxxxxx3598 (Noticee No.11)	And negotiate
June 22, 2022 (12:18 PM)	+9191xxxxxxx3598 (Noticee No.11)	1.25 kardo yar
June 22, 2022 (12:34 PM)	Alisha	not possible sir.....sabse kam yehi aya hai
June 22, 2022 (12:34 PM)	Alisha	check article
June 22, 2022 (12:35 PM)	Alisha	bss image dalna baki hai
June 22, 2022 (1:17 PM)	Alisha	Hi Please find my account details below Account number :- 123501000457 Bank Name :- ICICI BANK IFSC Code :- ICIC0001235
June 22, 2022 (1:20 PM)	Alisha	1 lakh 50,000 + Gst 27,000 = 1 lakhs 77 thousand
June 22, 2022 (2:15 PM)	+91xxxxxxx3598 (Noticee No.11)	Zee business mai chahiye
June 22, 2022 (2:15 PM)	+918075553598 (Noticee No.11)	Zee5 mai nahi
June 22, 2022 (2:15 PM)	Alisha	Haaa haaa
June 22, 2022 (3:32 PM)	+91xxxxxxx3598 (Noticee No.11)	UPDATE: INR 1,77,000.00 debited from HDFC Bank XX2365 on 22-JUN-22. Info: NEFT Dr-ICIC0001235-SAIF VAKANI- ANDHERI LOKH-N-173222008500360. Avl bal:INR



Date & Time	Person	Text of WhatsApp Chat
June 22, 2022 (3:32 PM)	Alisha	Okay sir
June 23, 2022 (10:06 AM)	+91xxxxxxx3598 (Noticee No.11)	Article
June 23, 2022 (10:07 AM)	Alisha	Queue pr hai
June 23, 2022 (10:10 AM)	+91xxxxxxx3598 (Noticee No.11)	Jaldi karwao
June 23, 2022 (10:40 AM)	Alisha	haa sir
June 23, 2022 (3:16 PM)	+91xxxxxxx3598 (Noticee No.11)	Article
June 23, 2022 (3:16 PM)	Alisha	2.19 mins pe approve hua hai editorial pe hai
June 23, 2022 (3:16 PM)	Alisha	Max 5 tal publish hojayega
June 23, 2022 (3:16 PM)	Alisha	Alisha it's a automated process
June 23, 2022 (3:16 PM)	Alisha	Jaise hi publish hoga main apko turat khabar kar dunga with link
June 23, 2022 (3:18 PM)	+91xxxxxxx3598 (Noticee No.11)	Kahi par bhi paid wagera nahi likh ke ana chahiye bas wo dhyan rakhna

110. In response to summons dated September 27, 2022 issued by the IA, Ms. Alisha Chandrakar vide her letter dated October 05, 2022 *inter alia* submitted that the Zee article was drafted by her based on instructions of Noticee No.11, her reporting officer. Noticee No. 11 has denied to have issued any instruction as alleged to said Ms. Alisha Chandrakar and has sought to cross examine her.

111. However, from the above WhatsApp chats between Noticee No.11 and Ms. Alisha Chandrakar it is evident that on June 22, 2022, Noticee No. 11 chose Zee News for publication of the article, instructed Ms. Alisha Chandrakar in relation to the content to be included therein, and made necessary payment towards publication thereof. Thereafter, on June 23, 2022, he started following up with Ms. Alisha Chandrakar with respect to the publication of the article. He further instructed Ms. Alisha Chandrakar to ensure that the Zee article is not referred to as a 'paid' article. Further, upon being asked by Noticee No. 11 at 11:39 AM on June 22, 2022 if the Zee article can be published by the next day i.e. June 23, 2022, Ms. Alisha Chandrakar replied at 11:40 AM that she will enquire, and at 11:46 AM she confirmed the same. On June 22, 2022, between 11:40 AM to 11:46 AM, she had made only one call from her mobile No. (XXXXXXX6012) to a mobile No. XXXXXX5070 at 11:40:39 to 11:43:20 (call duration as 162 seconds). The mobile number XXXXXX5070 belonged to one Mr. Ashish Nigam, Manager — Sales Indiadotcom Digital Pvt Ltd, a wholly owned subsidiary of Zee Media Corp Ltd.



112. It is indisputably established that Ms. Alisha Chandrakar had confirmed to Noticee No. 11 about the publication of Zee article on June 23, 2022 after her call with Mr. Ashish Nigam. It is, therefore, evident that it was Noticee No. 11 who was taking lead in publication of the impugned Zee article and approving contents and timing thereof and making payments thereof.

113. The analysis of bank statement of Noticee No. 11 shows the following transactions in relation to publication of Zee article on June 22, 2022:

- (a) Noticee No. 12 (IDFC FIRST Bank a/c no. XXXXXXXX7907) transferred an amount of ₹1,80,000 on June 22, 2022 to Noticee No. 11 (HDFC Bank a/c no. XXXXXXXXXXX2365).

Table-8

Date	Transaction Details	Amount (₹)
22/06/22	IMPS-RIB/Fund Trf/217314033903/Bhavya Dhiman/50100179612365HDFC/	180,000

- (b) Upon receipt of aforesaid amount, Noticee No. 11 transferred ₹1, 77,000 to Mr. Saif Vakani (ICICI Bank a/c no. XXXXXXXXX0457), a friend/ acquaintance of Ms. Alisha Chandrakar, upon her request as confirmed by her, on the same day with following details:

Table-9

Date	Transaction Details	Amount (₹)
22/06/22	NEFT DR-ICICOOOI 235-SAIF VAKANI-ANDHERI LOKH- N173222008500360	177,000

- (c) Thereafter, Mr. Saif Vakani made a payment of ₹82,600 to M/S Elkay Advertising towards publication of Zee article.

Table-10

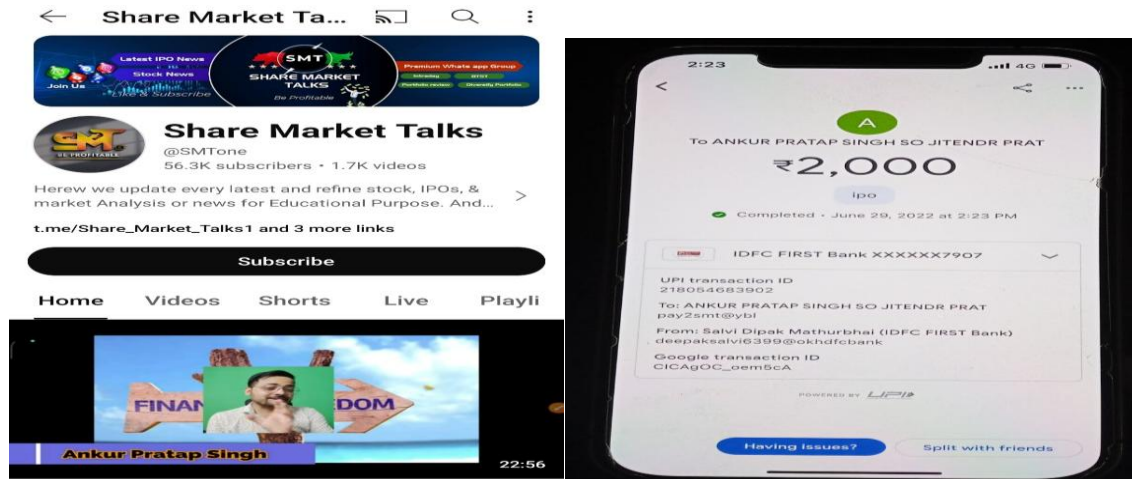
Date	Transaction Details	Amount (₹)
22/06/22	BIL/1NFT/000427168288/Arti/	82,600

- (d) Thereafter, the article was published over the website of Zee News⁹ on June 23, 2022 *inter alia* highlighting GMP of ₹ 7 and certain positive analysis in respect of SME IPO of VJL.

⁹ (URL - <https://zeenews.india.com/india/veerkrupa-jewellers-ipo-dates-out-gmp-7-price-27-and-other-details-you-must-know-2476721.html>)

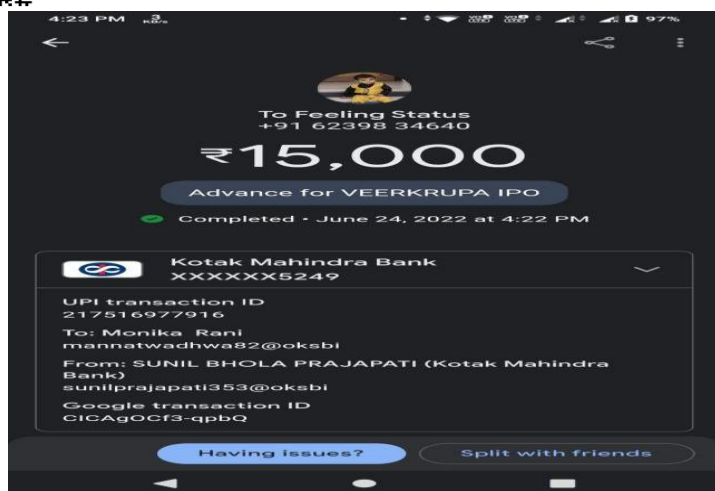


114. Payments were also made to various entities by Noticee No. 11/ 12/ Mr. Sunil Prajapati (an employee of Noticee No. 9) towards display of promotional videos in relation to SME IPO of VJL over YouTube. The payments were made to one Mr. Ankur Pratap Singh, owner/ administrator of YouTube channel viz. Share Market Talks which displayed video in relation to SME IPO of VJL over YouTube. The proof of payments is as following: -



115. With regard to the aforesaid UPI transaction ID viz. '218054683902', the payee's IFSC was 'PUNB0475300' with Punjab National Bank which confirmed the name of the customer as Ankur Pratap Singh from his account opening form. The e-mail ID of owner/ administrator of YouTube channel viz. Share Market Talks is mentioned as 'memories12081994@gmail.com' was tagged with trading/ demat accounts of Ankur Pratap Singh with Fyers Securities Private Limited, Upstox Securities Private Limited, and Angel One Limited.

116. Mr. Tarun Kumar is owner/ administrator of certain YouTube channels including Stack Guruji 1 (https://www.youtube.com/watch?v=EmU-_83lkGA) and Stock Point (<https://www.youtube.com/watch?v=SE5K0aW2NDk>) which displayed videos in relation to SME IPO of VJL over YouTube. Following payment was also made by Mr. Sunil Prajapati with UPI ID – 217516977916 (Kotak Mahindra Bank) to the counter party, with State Bank of India one Ms. Monika Rani wife of Mr. Tarun Kumar :-



Snapshot of payment to Ms. Monika Rani, W/o Mr. Tarun Kumar

117.Mr. Sunil Prajapati had made the above payment immediately upon receipt of ₹30,800 from Noticee No.11 as shown below:

Table-11

Date	Narration	Debit (₹)	Credit (₹)
24-06-2022	UPI/BHAVYA DHIMAN/217567552496/YouTubers		30,800
24-06-2022	UPI/Monika Rani/217516977916/Advance for VEE	15,000	

118.In addition to payment of ₹15,000 through Mr. Sunil Prajapati as mentioned above, Noticeee No.11 had also transferred an amount of ₹38,000 directly to Mr. Tarun Kumar on 27.06.2022.

119.The above fund transfers clearly show active role of Noticee No.11 in the scheme of circulating misleading information through YouTube Videos to induce subscription in SME IPO of VJL as alleged in the SCN. These facts also corroborate the statement of Mr. Sunil Prajapati vide his e-mail dated April 14, 2023, that payment made to Mr. Tarun Kumar, owner/ administrator of multiple YouTube channels, was ₹53,000.

120.Noticee No. 11 has contended that he had no involvement whatsoever with the content of Zee News Article and that he was an Additional Director in Noticee No. 9 whose role was limited to operational responsibilities within the organization. His responsibilities were administrative and HR related, and did not extend to editorial oversight or content approval of any published materials. Noticee No. 11 further submitted that his chats with Ms. Alisha Chandrakar shows, that it was totally incidental and stemming primarily from his expertise in the securities market. His scope of work was in the nature of providing guidance or general mentorship to Ms. Alisha Chandrakar with respect to the marketing activities in relation to the IPO.



121. The above submissions of Noticee No. 11 are ostensibly conflicting and lacking credibility. I do not agree with the contention of Noticee No. 11, in fact the WhatsApp chats demonstrates his significant role in the publishing of the Zee Article. From the WhatsApp chat Noticee No. 11 is not only seen confirming the GMP of Rs. 7 but has also been negotiating the price in relation to publication of the Zee article. On the next day i.e on June 23, 2022, Noticee No. 11 was inquiring about the status of publication of the Zee article and prompting and instructing Ms. Alisha Chandrakar by texting "*jaldi karwao*" to get the article published urgently. Moreover, Noticee No. 11 is also seen to be instructing Ms. Chandrakar that "*kahi par bhi paid wagera nahi likh ke ana chahiye bas wo dhyhan rakhna*" in relation to the article which demonstrates that Noticee No. 11 had a key role in publication of the paid "*article*". The above texts and the fact that the payment for the Zee article was receipt from the bank account of Noticee No. 11 shows his involvement in the publication of the "*paid*" Zee article. The whole facts taken together when Noticee No.11 being the reporting officer of said Ms. Alisha Chandrakar, guiding her, instructing her, prompting her, following with her and closely monitoring her activities it can safely be inferred that he had also instructed her for publication of Zee article. These facts stand on their own and support her statements given before the IA.

122. I, therefore, find that Noticee No. 1 to 11 were part of the fraudulent scheme devised to knowingly publish information in relation to SME IPO of VJL that was misleading, and that was likely to influence the decision of investors or induce sale and purchase of securities. The misleading Zee article and YouTube videos in relation to SME IPO of VJL were published/ displayed by Noticee No. 9, 10 and 11 and Noticees 1 to 8 all were part of that scheme.

(c) Dealings in shares of VJL by Noticee No. 10, 11, 12, 13, 14, 15, 16 and 17.

123. The price-volume during the IP are divided patch-wise as under:

Table-12

Patch	Open Price	High Price	Low Price	Close Price	Average Daily Volume	Total Traded Volume
Patch-1 (Price-rise)	₹27 (18/07/2022)	₹91.35 (29/08/2022)	₹24.40 (19/07/2022)	₹89.85 (29/08/2022)	1,82,759	53,00,000
Patch-2 (Price-rise)	₹62.85 (14/12/2022)	₹146 (14/02/2023)	₹59.75 (15/12/2022)	₹140.35 (14/02/2023)	75,429	31,68,000
Patch-3 (Price-fall)	₹144.9 (15/02/2023)	₹144.9 (15/02/2023)	₹58.35 (18/05/2023)	₹58.35 (18/05/2023)	77,458	45,70,000
Patch-4 (Price-fall)	₹3.65 (19/05/2023)	₹3.75 (22/05/2023)	₹1.2 (21/12/2023)	₹1.41 (31/05/2024)	6,28,205	16,08,20,363



Patch -1 (from July 18, 2022 to August 29, 2022):

124. In Patch-1, the top 10 buyers contributed 52.23% to the market volume and the top-10 sellers contributed 36.91% to market volume. Noticee No. 15, 10 and 11 were the top three buyer in Patch-1 who contributed 11.17%, 10.11% and 8.58% respectively, to the market volume and Noticee No. 15, 12 and 11 were the top three seller who contributed 8.60%, 8% and 4.60% respectively, to the market volume. The top 10 gross buyers and sellers during Patch-1 were observed as following:

Table-13

Gross Buyers			Gross Sellers		
Name	Traded Qty.	%Tq	Name	Traded Qty.	%Tq
Noticee No. 15	5,92,000	11.17%	Noticee No. 15	4,56,000	8.60%
Noticee No. 10	5,36,000	10.11%	Noticee No. 12	4,24,000	8.00%
Noticee No. 11	5,08,000	9.58%	Noticee No. 11	2,44,000	4.60%
Noticee No. 12	4,52,000	8.53%	Beeline Broking Limited	1,92,000	3.62%
Noticee No. 13	1,48,000	2.79%	Pinkesh Mafatlal Shah	1,92,000	3.62%
Dilip Satyanarayan Gupta	1,32,000	2.49%	Sanjay Punjabhai Parmar	1,12,000	2.11%
Sanjay Punjabhai Parmar	1,12,000	2.11%	Pareesh Dhirajlal Shah	1,00,000	1.89%
Pareesh Dhirajlal Shah	1,04,000	1.96%	Naveen Gupta	84,000	1.58%
Noticee No. 14	1,00,000	1.89%	B.W.Traders	80,000	1.51%
Naveen Gupta	84,000	1.58%	Dilip Satyanarayan Gupta	72,000	1.36%
Total	27,68,000	52.23%	Total	19,56,000	36.91%
Market Total	53,00,000	100%	Market Total	53,00,000	100%

125. The buy and sell quantity of the Noticees and the connected entities in Patch-1 is as given in the table below. Noticee No. 10, 11, 12, 13, 14 and 15 along with three connected entities (connected to Noticee No. 10) contributed 44.30% to the buy volume and Noticee No. 10, 11, 12, 13 and 15 along with two connected entities contributed 22.72% to the sell volume. The contribution of the connected entities (other than Noticees) in buy and sell volume were 0.24% and 0.16% in Patch -1. Noticee No. 15 was the top buyer and seller on both sides in Patch-1.

Table-14

Name	Buy Traded Qty.	% Buy to Tq	Sell Traded Qty.	% Sell to Tq
Noticee No. 15	592000	11.17%	456000	8.60%
Noticee No. 10	536000	10.11%	48000	0.91%
Noticee No. 11	508000	9.58%	244000	4.60%
Noticee No. 12	452000	8.53%	424000	8.00%



Name	Buy Traded Qty.	% Buy to Tq	Sell Traded Qty.	% Sell to Tq
Noticee No. 13	148000	2.79%	24000	0.45%
Noticee No. 14	100000	1.89%	0	0.00%
Siddharth Mahendrabhai Sheth (brother-in-law of Noticee No. 10)	4000	0.08%	4000	0.08%
Mili Mahendrakuamr Shah (sister of Noticee No. 10)	4000	0.08%	0	0.00%
Princee Sapan Sanghavi (common address with Noticee No. 10)	4000	0.08%	4000	0.08%
Total	2348000	44.30%	1204000	22.72%
Market total	5300000	100.00%	5300000	100.00%

126. The Last Traded Price (LTP) contributions during the price rise in Patch-1 was observed as given in the following table:

Table- 15: Patch-1: LTP contribution.

Name	All trades			Positive LTP trades			Negative LTP trades			Zero LTP trades		% contribution to Positive Ltp
	Ltp Rate	Trad ed Qty.	No. Of Trad es	Ltp Rate	Trade d Qty.	No. Of Trad es	Ltp Rate	Trade d Qty.	No. Of Trad es	Trade d Qty.	No. Of Trad es	
Noticee No. 11	24.00	508000	88	25.65	112000	28	-1.65	80000	15	316000	45	12.76%
Noticee No. 15	21.75	592000	99	26.70	212000	41	-4.95	84000	16	296000	42	13.28%
Noticee No. 13	2.00	148000	24	2.00	28000	7	0.00	0	0	120000	17	0.99%
Princee Sapan Sanghavi	1.85	4000	1	1.85	4000	1	0.00	0	0	0	0	0.92%
Noticee No. 12	1.65	452000	20	1.70	40000	5	-0.05	12000	1	400000	14	0.85%
Noticee No. 10	0.35	536000	78	4.65	68000	13	-4.30	100000	11	368000	54	2.31%
Siddharth Mahendrabhai Sheth	0.00	4000	1	0.00	0	0	0.00	0	0	4000	1	0.00%
Mili Mahendrak uamr Shah	0.00	4000	1	0.00	0	0	0.00	0	0	4000	1	0.00%
Noticee No. 14	-0.90	100000	3	0.00	0	0	-0.90	12000	1	88000	2	0.00%
Total	50.70	2348000	315	62.55	464000	95	-11.85	288000	44	1596000	176	31.11%
Market total	64.20	5300000	944	201.05	1104000	247	-136.85	804000	166	3392000	531	100.00%



127. During Patch-1, Noticee No. 10, 11, 12, 13 and 15 contributed 2.31%, 12.76%, 0.85%, 0.99%, and 13.28% respectively, which constituted a sum of 30.19% (of the total 31.11%) to market positive LTP. The Noticees along the connected entities contributed ₹50.70 to the net LTP and ₹62.55 to the total market positive LTP in 95 positive LTP trades. Out of the above contribution, the contribution from the connected entity(ies) was ₹1.85 to the net LTP (of ₹50.70) and total market positive LTP (of ₹62.55) in 1 positive trade (out of the total of 95 positive trades). The majority of the positive LTP contribution were made by Noticee No. 10, 11, 12, 13 and 15.

128. Noticee No. 10, 11, 13 and 15 contributed ₹12.70 to market New High Price (NHP), which was 19.74% of market NHP. NHP of ₹64.35 was created during Patch-1 whereby contribution of Noticee No. 10, 11, 13 and 15 were 2.02%, 6.99%, 0.16% and 10.57% respectively, of the total percentage of market NHP. Thereafter, the scrip was traded for only 6 days during the period from August 30, 2022 to December 13, 2022 (with nil trading after November 07, 2022) whereby the close-price of the scrip fell from ₹85.4 to ₹66.15.

Table-16: Patch-1: NHP contribution.

Client name	Quantity	Number Of Trades	Contribution To Market NHP	% Of Market NHP	Contribution Among Group	Contribution To NHP In Buy Order First Trades With Non Group Entities
Noticee No. 15	48000	12	6.80	10.57%	0	0.05
Noticee No. 11	20000	5	4.50	6.99%	0	0
Noticee No. 10	8000	2	1.30	2.02%	0	0
Noticee No. 13	8000	2	0.10	0.16%	0	0
Total	84000	21	12.70	19.74%	0.00	0.05
Market total	252000	57	64.35	100.00%	0.00	0.05

Patch -2 (from December 14, 2022 to February 14, 2023):

129. In Patch-2, the price of the scrip started rising once again whereby the close-price of the scrip reached from ₹62.85 on December 14, 2022 to ₹140.35 on February 14, 2023. During this period, the top 10 buyers contributed 56.78% to the market volume and the top-10 sellers contributed 49.91% to the market volume. Noticee No. 11, 15 and 12 were the top three buyers and sellers in Patch-2 who contributed 21.45%, 9.15% and 7% respectively, to the buy market volume and 20.57%, 8.45%, and 3.34% respectively, to the sell market volume. The top 10 gross buyers and sellers during Patch-2 were as under:



Table-17

Gross Buyers			Gross Sellers		
Name	Traded Qty.	%Tq	Name	Traded Qty.	%Tq
Noticee No. 11	680000	21.45%	Noticee No. 11	652000	20.57%
Noticee No.15	290000	9.15%	Noticee No. 15	268000	8.45%
Noticee No. 12	222000	7.00%	Noticee No. 12	106000	3.34%
Nileshbhai madhubhai sukhadia	122000	3.85%	Noticee No. 14	100000	3.15%
Sweety Vikram Gajiwala	100000	3.15%	Beeline Broking Limited	94000	2.97%
Beeline Broking Limited	90000	2.84%	Multiplier Share & Stock Advisors Private Limited	88000	2.78%
Multiplier Share & Stock Advisors Private Limited	88000	2.78%	Bp Equities Pvt. Ltd.	76000	2.40%
Bp Equities Pvt. Ltd.	76000	2.40%	Chimanshu	70000	2.21%
Chimanshu	70000	2.21%	Dilip Satyanarayan Gupta	66000	2.08%
Arham Share Private Limited	62000	1.96%	Arham Share Private Limited	62000	1.96%
Total	1800000	56.78%	Total	1582000	49.91%
Market Total	3170000	100.00%	Market Total	3170000	100.00%

130. The buy and sell quantity of the Noticees and the connected entities in Patch-2 is given in the table below. Noticee No. 11 was the top buyer and seller on both sides in Patch-2.

Table-18

Name	Buy Traded Qty.	% Buy to Tq	Sell Traded Qty.	% Sell to Tq
Noticee No. 11	680000	21.45%	652000	20.57%
Noticee No. 15	290000	9.15%	268000	8.45%
Noticee No. 12	222000	7.00%	106000	3.34%
Noticee No. 16	58000	1.83%	0	0.00%
Noticee No. 10	0	0.00%	58000	1.83%
Mili Mahendrakumar Shah (sister of Noticee No. 10)	0	0.00%	4000	0.13%
Noticee No. 14	0	0.00%	100000	3.15%
Total	1250000	39.43%	1188000	37.48%
Market total	3170000	100.00%	3170000	100.00%

131. Noticee No. 11, 12, 15 and 16 contributed 39.43% to the buy volume and Noticee No. 10, 11, 12, 14 and 15 along with one connected entity (connected with Noticee No. 10) contributed to 37.48% to the sell volume. The LTP contributions during the price rise in Patch-2 is provided in the table below:



Table -19 Patch-2: LTP contribution.

Name	All trades			Positive LTP trades			Negative LTP trades			Zero LTP trades		% contribution to Positive Ltp
	Ltp Rate	Traded Qty.	No. Of Trades	Ltp Rate	Trade d Qty.	No. Of Trades	Ltp Rate	Traded Qty.	No. Of Trades	Traded Qty.	No. Of Trades	
Noticee No. 11	136.80	680000	198	149.30	188000	59	-12.50	116000	31	376000	108	30.23%
Noticee No. 15	94.30	290000	90	100.35	138000	45	-6.05	18000	9	134000	36	20.32%
Noticee No. 12	55.95	222000	25	56.75	106000	13	-0.80	12000	2	104000	10	11.49%
Noticee No. 16	9.65	58000	7	9.65	12000	5	0.00	0	0	46000	2	1.95%
Total	296.70	1250000	320	316.05	444000	122	-19.35	146000	42	660000	156	63.99%
Market total	87.90	3170000	961	493.90	686000	226	-406.00	516000	198	1968000	537	100.00%

132. During Patch-2, Noticee No. 11, 12, 15 and 16 contributed 30.23%, 11.49%, 20.32%, and 1.95%, respectively, which constituted 63.99% to market positive LTP. The Noticees further contributed ₹296.70 to net LTP and ₹316.05 to total market positive LTP in 122 positive LTP trades. Out of this, in 35 positive LTP trades, the counterparties were with connected entities who contributed 32.69% to market positive LTP through trades amongst themselves.

133. As regards NHP, Noticee No. 11, 12 and 15 contributed ₹24.25 to market NHP, which was 29.16% of market NHP. It was observed that ₹83.15 NHP was created during Patch-2 whereby contribution of Noticee No. 11, 12 and 15 were 12.51%, 7.10% and 9.56%, of the total market NHP.

Table -20 Patch-2: NHP contribution.

Clientname	Quantity	Number Of Trades	Contribution To Market Nhp	% Of Market Nhp	Contribution Among Group	Contribution To Nhp In Buy Order First Trades With Non Group Entities
Noticee No. 11	10000	5	10.40	12.51%	4.20	2.80
Noticee No. 15	22000	10	7.95	9.56%	1.40	0
Noticee No. 12	2000	1	5.90	7.10%	5.90	0
Total	34000	16	24.25	29.16%	11.50	2.80
Market total	82000	36	83.15	100.00%	11.50	2.80

Patch-3 (from February 15, 2023 to May 18, 2023 before the split of shares):

134. In Patch-3, the top 10 buyers contributed 59.78% to market volume, whereas, the top 10 sellers contributed 36.91% to market volume. A connected entity Mr. Ankit Mahendrabhai Parlesha (connected to Noticee No. 10), Noticee No. 11 and Noticee No. 15 were the top three buyers with 15.10%, 8.25% and 7.33% contribution respectively, to the market volume and Mr. Ankit Mahendrabhai Parlesha (connected to Noticee No. 10), Noticee No. 11 and Noticee No. 10 were



the top seller with 14.33%, 14.03% and 9.63% contribution respectively, to the market volume.

The top 10 gross buyers and sellers during Patch-3 were as under:

Table-21

Gross Buyers			Gross Sellers		
Name	Traded Qty.	%Tq	Name	Traded Qty.	%Tq
Ankit Mahendrabhai Parlesha (connected to Noticee No. 10)	690000	15.10%	Ankit Mahendrabhai Parlesha (connected to Noticee No. 10)	655000	14.33%
Noticee No. 11	377000	8.25%	Noticee No. 11	641000	14.03%
Noticee No. 15	335000	7.33%	Noticee No. 10	440000	9.63%
Noticee No. 16	331000	7.24%	Noticee No. 12	322000	7.05%
Multiplier Share & Stock Advisors Private Limited	253000	5.54%	Noticee No. 15	269000	5.89%
Appu Financial Services Ltd	232000	5.08%	Noticee No. 16	241000	5.27%
Noticee No. 12	183000	4.00%	Multiplier Share & Stock Advisors Private Limited	188000	4.11%
Chetan Rasiklal Shah	116000	2.54%	Chetan Rasiklal Shah	116000	2.54%
Bp Equities Pvt. Ltd.	110000	2.41%	Bp Equities Pvt. Ltd.	110000	2.41%
Chimanshu	105000	2.30%	Chimanshu	97000	2.12%
Total	2732000	59.78%	Total	3079000	67.37%
Market Total	4570000	100.00%	Market Total	4570000	100.00%

135. The buy and sell quantity of the Noticees and the connected entities in Patch-3 were as under:

Table-22

Name	Buy Traded Qty.	% Buy to Tq	Sell Traded Qty.	% Sell to Tq
Ankit Mahendrabhai Parlesha (connected with Noticee No. 10)	690000	15.10%	655000	14.33%
Noticee No. 11	377000	8.25%	641000	14.03%
Noticee No. 15	335000	7.33%	269000	5.89%
Noticee No. 16	331000	7.24%	241000	5.27%
Noticee No. 12	183000	4.00%	322000	7.05%
SW Capital Pvt Ltd	84000	1.84%	0	0.00%
Noticee No. 17	26000	0.57%	0	0.00%
Noticee No. 10	10000	0.22%	440000	9.63%
Noticee No. 3	2000	0.04%	2000	0.04%
Nili Siddharth Sheth	2000	0.04%	2000	0.04%
Total	2040000	44.64%	2572000	56.28%
Market total	4570000	100.00%	4570000	100.00%



136. In Patch-3, Noticee No. 3, 10, 11, 12, 15, 16 and 17 and three connected entities contributed 44.64% to buy volume and 56.28% to sell volume. The contribution of the connected entities in buy volume was 16.98% and 14.37% in the sell volume, to the above buy and sell volume in Patch -3.

Patch-4 (after the split of shares from May 19, 2023 to May 31, 2024):

137. In Patch-4, top 10 buyers contributed 32.55% to market volume, whereas, the top-10 sellers contributed 41.66% to the market volume. A connected entity Mr. Nikhil Rajesh Singh (connected to Noticee No. 10) was the top buyer with 9.18% contribution to market volume. The following were the top 10 gross buyers and sellers during Patch-4:

Table-23

Gross Buyers			Gross Sellers		
Name	Traded Qty.	%Tq	Name	Traded Qty.	%Tq
Nikhil Rajesh Singh	14729400	9.18%	Noticee No. 16	16649900	10.38%
Noticee No. 16	14478900	9.03%	Nikhil Rajesh Singh	14729400	9.19%
Ajay Salvi	8717400	5.43%	Ajay Salvi	8700700	5.43%
Kamlesh Navinchandra Shah	3790900	2.36%	Noticee No. 6	8383400	5.23%
Mahadev Manubhai Makvana	2154300	1.34%	Appu Financial Services Ltd	3857700	2.41%
Malti Salvi	1786900	1.11%	Kamlesh Navinchandra Shah	3774200	2.35%
Lalit kumar gopilal	1753500	1.09%	Noticee No. 15	3724100	2.32%
Sudhakar Reddy Sunil Kumar	1736800	1.08%	Noticee No. 3	2571800	1.60%
Abdurrahman Mohd Shafi Taibani	1703400	1.06%	Multiplier Share & Stock Advisors Private Limited	2254500	1.41%
Laxmikant Banwari Agrawal	1369400	0.85%	Mahadev Manubhai Makvana	2154300	1.34%
Total	52220900	32.55%	Total	66800000	41.66%
Market Total	160420200	100.00%	Market Total	160353400	100.00%

138. The buy and sell quantity of the Noticees and the connected entities in Patch-4 were as under:

Table-24

Name	Buy Traded Qty.	% Buy to Tq	Sell Traded Qty.	% Sell to Tq
Nikhil Rajesh Singh	14729400	9.18%	14729400	9.18%
Noticee No. 16	14478900	9.03%	16649900	10.38%
Ajay Salvi	8717400	5.43%	8700700	5.42%
Mahadev Manubhai Makvana	2154300	1.34%	2154300	1.34%



Name	Buy Traded Qty.	% Buy to Tq	Sell Traded Qty.	% Sell to Tq
Malti Salvi	1786900	1.11%	1786900	1.11%
Ankit Mahendrabhai Parlesha	1185700	0.74%	1753500	1.09%
Noticee No. 3	0	0.00%	2571800	1.60%
SW Capital Pvt Ltd	0	0.00%	1386100	0.86%
Noticee No. 6	0	0.00%	8383400	5.23%
Noticee No. 13	0	0.00%	2054100	1.28%
Noticee No. 12	0	0.00%	400800	0.25%
Noticee No. 15	0	0.00%	3724100	2.32%
Noticee No. 2	0	0.00%	33400	0.02%
Total	43052600	26.84%	64745900	40.36%
Market total	160420200	100.00%	160353400	99.96%

139. In Patch-4, Noticee No. 16 along with five connected entities contributed 26.84% to the buy volume and Noticee No. 2, 3, 6, 12, 13, 15 and 16 and six connected entities contributed 40.36% to the sell volume. Noticee No. 16 was the second top buyer with contribution of 9.03% to the market volume and the top seller with 10.38% contribution to market volume.

140. On analysis of the above four patches, I find that Noticee No. 10, 11, 12, 13, 14, and 15 traded significantly during the price rise patch of Patch-1 and 2. On the date of listing of the shares of VJL i.e. on July 18, 2022 at a price of ₹27, the scrip had closed at a price of ₹25.65. Thereafter, price of the scrip of VJL touched a high of ₹91.35 and closed at ₹89.85 on August 29, 2022. A rise of 250% in price of shares of VJL on close-to-close basis was observed within a span of 29 trading days (Patch-1). Subsequently, the scrip was traded for only 6 days during the period from August 30, 2022 to December 13, 2022 whereby the close-price of the scrip fell from ₹85.4 to ₹66.15. Thereafter, the close-price of the scrip of VJL registered a significant rise once again whereby it reached from ₹62.85 on December 14, 2022 to ₹140.35 on February 14, 2023 (Patch-2). No significant corporate announcement was made by VJL during this period that could support the rise in price. The price of the scrip started falling during the period from February 15, 2023 (close-price of ₹133.35) to May 18, 2023 (close-price of ₹58.35) (Patch-3). As per the corporate announcement dated May 12, 2023, the shares of VJL were split in the ratio 1:10, and bonus shares were issued in the ratio 2:3, record date being May 19, 2023. Pursuant to stock split and issuance of bonus, the close-price of the shares on May 19, 2023 was ₹3.65, and it closed at ₹1.41 on May 31, 2024.



141. In Patch -1, in the first three days of listing of shares of VJL, the quantity of shares bought by Noticee No. 10, 11, 12, 13, 14, and 15 on July 18, 19 and 20 of 2022, were as under:

Table-25

Date of Trade/Noticee No.	Buy Qty.	Sell Qty.	Net Qty.
18/07/2022			
Noticee No. 15	1,44,000	-	1,44,000
Noticee No. 11	1,32,000	-	1,32,000
Noticee No. 12	4,00,000	-	4,00,000
	6,76,000	-	6,76,000
19/07/2022			
Noticee No. 15	32,000	-	32,000
Noticee No. 13	52,000	-	52,000
Noticee No. 11	1,00,000	-	1,00,000
Noticee No. 14	1,00,000	-	1,00,000
Noticee No. 10	2,32,000	-	2,32,000
	5,16,000	-	5,16,000
20/07/2022			
Noticee No. 15	1,04,000	1,08,000	(4,000)
Noticee No. 11	16,000	12,000	4,000
Noticee No. 10	80,000	-	80,000
Siddharth Sheth (brother in law of Noticee No. 10)	4,000	-	4,000
	2,04,000	1,20,000	84,000
Grand Total	13,96,000	1,20,000	12,76,000

142. It is observed that out of the listing of 30,00,000 shares of VJL on July 18, 2022 which included 5,04,000 shares underwritten by Noticee No. 6 and 1,52,000 shares reserved for market-maker, thereby leaving 23,44,000 shares, the aforementioned Noticee No. 10, 11, 12, 13, 14, and 15 and one connected entity were the net buyers of 12,76,000 shares leaving 10,68,000 shares in the market for liquidity. The trades significantly contributed to the rise in price of scrip of VJL during Patch-1 where the price of scrip registered a rise of 250% on close-to-close basis within a span of 29 trading days. In Patch-2 the price of the scrip started registering a rise once again whereby the close-price of the scrip reached from ₹62.85 on December 14, 2022 to ₹140.35 on February 14, 2023. By dealing in the shares of VJL, as detailed in Patch-1 and 2 Noticee No. 10, 11, 12, 13, 14, and 15 contributed significantly to creation of volume and rise in price of the scrip of VJL during Patch-1 and Patch-2. I note that the Noticee No. 10, 11 and 12 who traded in significant quantities immediately upon listing of shares of VJL were the key persons involved



in the publication of Zee article and other publicity material including YouTube videos in relation to SME IPO of VJL.

143. One common point of contention raised by the Noticees is that their contribution in comparison to the total market contribution is *de-minimis* (insignificant or negligible). In support of their submissions, reliance is placed by them on SEBI Order dated February 26, 2021 in the matter of *Nikki Global Finance Ltd*¹⁰ wherein, SEBI had exonerated few entities who contributed less than 1% in LTP on the ground that it did not impact the price manipulation. The Noticees have also referred to the order of Hon'ble SAT in the matter of the *Farooq Kasam Hawa and Ors. Vs. SEBI*¹¹. According to Noticee No.13 it is now a *settled law* that the LTP contribution below 1% is not considered unlawful.

144. I note that in the matter of *Nikki Global Finance Ltd.*, the allegation was that 109 entities had traded amongst themselves. The instant matter is factually distinguishable from the matter of *Nikki Global*. In the present case, Noticees are connected through phone call records, fund transfers, etc who traded substantially amongst themselves and created artificial volume and contributed to artificial price rise in the scrip. The SCN indicates that the Noticees were consistently trading during the price rise patches and pushed the LTP and NHP upwards. It is no coincidence Noticee No. 10, 11 and 12 who traded in significant quantities immediately upon listing of shares of VJL on July 18, 2022 were also involved in the publication of Zee article and other publicity material including YouTube videos in relation to SME IPO of VJL. Further, VJL did not have sound fundamentals but Noticee No. 10, 11, 12, 13, 14, and 15 contributed significantly to creation of volume and/or rise in price of the scrip of VJL.

145. Here, it is relevant to mention the above order of SEBI in the case of *Nikki Global* was considered by the Hon'ble SAT in the matter of ***Surendra Kumar Gupta v. SEBI*** (Appeal No. 343 of 2021) where the Hon'ble SAT held that the benchmark of 1% fixed by SEBI was not based on any intelligible criteria nor was based on any Circular or Regulations framed by SEBI and, therefore, the fixation of 1% was arbitrary. Tribunal also held that when positive LTP as a group is being considered then individual positive contribution cannot be considered. The relevant observation is produced as under:

¹⁰ SEBI Order dated February 26, 2021.

¹¹ SAT Order dated June 10, 2022. Hon'ble SAT had remitted the matter to SEBI in light of the observations made in the *Nikki Global Finance Ltd* matter.



“4. Further, out of 75 noticees, 65 noticees have been exonerated by the WTM on the ground that their individual positive LTP was less than one percent and, therefore, no direction could be issued under section 11B. The benchmark of one percent fixed by the WTM, in our opinion, is not based on any intelligible criteria nor is based on any circular or regulations framed by SEBI in this behalf to show as to how much percentage of positive LTP would be treated as violative of Regulations 3 and 4 of the PFTUP Regulations or would be treated as unfair trade practice. Classification is based on intelligible differentia. The differentia bears a reasonable nexus with the object sought to be achieved. In the instant case, we find that classification is not based on any intelligible criteria nor has any nexus with the objective of the Regulations. In the absence of any criteria laid down by SEBI the fixation of one percent by the WTM without any reasonable basis is arbitrary.

5. The WTM cannot blow hot and cold and take positive LTP as a group on one hand and consider individual positive contribution of each noticee individually and exonerate them having found that their contribution was less than one percent.”

146. In view of the above, the decision in the matter of *Nikki Global* (supra) does not lay any kind of “policy benchmark” premised on any rules, regulation or circular of SEBI, thus, the said exoneration cannot be stated to be laying down a policy benchmark that ought to be followed in other subsequent orders to ensure judicial consistency. The Noticees contention therefore do not have any merit.

Noticee No.10.

147. I note that in Patch-1, Noticee No. 10 individually contributed: -

- (a) ₹4.65, i.e. 2.31% to total market positive LTP through 13 trades; and
- (b) ₹1.30 to market NHP which was 2.02% of market NHP.

148. According to Noticee No.10, in Patch-1 the LTP rate of 78 trades was 0.35%. While 13 trades contributed to INR 4.65 to positive LTP, 11 trades contributed to negative INR 4.30 constituting negative LTP, and 54 trades were zero LTP trades. Noticee No. 10’s transactions were executed on the anonymous exchange platform and cannot be said to be premeditated in collusion with other Noticees. He sold 4,40,000 shares in Patch-3 and majority shares were sold in Patch-3, the trading behavior shows that he took long term position. Noticee No. 10 has further contended that the allegations of price manipulation cannot be established since the trade log show that the



Noticee No. 10 placed buy orders well after the sell orders. The SCN identifies 13 specific trades where the Noticee is alleged to have contributed to the LTP, in each of the 13 instances cited in the SCN, the sell orders from the counterparties were already present in the order book prior to the placement of the Noticee's buy orders. The trade logs clearly demonstrate that the Noticee was merely acting on the price quoted by sellers.

149. I find that Noticee No. 10 has attempted to paint a picture that his trades were *bona fide* and miniscule. When seen in light of trading of all connected entities, active scheme orchestrated by him along with Noticee No. 11 and 12 in publication of misleading Zee article, YouTube Videos and then dealing in the shares of VJL in significant quantities upon listing of shares of VJL, the whole gamut of facts and circumstances show that he indulged in an act which created misleading appearance of trading and contributed significantly in creation of volume and rise in price of the scrip. Admittedly, when the shares of VJL got listed on July 18, 2022, on the very next day i.e. on July 19, 2022, Noticee No. 10 started trading in shares of VJL significantly. On July 20, 2022 he purchased 2,32,000 shares and 80,000 shares of VJL, respectively. Patch-1 and 2 was the price rise patch, Noticee No. 10 bought 5,36,000 shares in Patch 1 constituting 10.11% to the market volume and subsequently sold 58,000 shares in patch-2 constituting 1.83% to the market volume. Noticee No. 10 was the second top buyer contributing 10.11% to the Noticees and suspected entities buy volume of 44.30% in Patch-1. I note that Noticee No. 10 sold majority shares in Patch-3, he has contended that his trading behavior shows that he took long term position, I do not agree with this contention, I note that during Patch-3 and Patch-4 i.e. the patch of price-fall, Noticee No. 10 along with his mule accounts dealt in the scrip of VJL in significant quantities and incurred losses which substantiates that such dealings were undertaken with a view to generate artificial volume. Noticee No. 10 had during his statement of examination on oath dated May 11, 2023 had *inter alia* stated that he had purchased shares of VJL based on his research showing year-to-year growth and review of one Mr. Dilip Dawda, a market analyst. Investigation had observed that Mr. Dilip Dawda had in his review dated June 22, 2022 in fact suggested to skip the exorbitantly priced IPO of VJL as the company had only two showrooms and for the last three fiscals, it has posted minuscule profits. Thus, the submissions made by Noticee No. 10 regarding his decision to deal in shares of VJL is misleading and only supports the scheme devised by him to publish information in relation to SME IPO of VJL which was misleading, and likely to influence the decision of investors and induce sale and purchase of securities.



150. During the personal hearing held on February 13, 2026, the Ld Advocate of Noticee No. 10 had submitted that the fund transactions with Noticee No. 12 were for a purchase of car, and undertook to submit the corresponding evidence. In this regard, in the written submission, the Ld Advocate has submitted that Noticee No. 10 is an avid automobile enthusiast and in pursuit of this personal interest, Noticee No. 10 frequently enters into informal, short-term arrangements with vehicle dealers, including Noticee No. 12. The modus operandi of these arrangements is that Noticee No 10 would purchase a vehicle by paying a percentage of its actual cost to the dealer. This upfront payment functioned as a deposit or usage fee, allowing the Noticee to retain possession and use the car for a temporary period. Once the dealer finds a permanent buyer for the vehicle, the Noticee would either return the car to Noticee No. 12 or hand it over directly to the third-party purchaser, after which the financial arrangement would be settled between the parties. As these transactions are short-term usage arrangements rather than permanent acquisitions, the formal transfer of legal ownership was never effectuated. Consequently, no official transfer paperwork, or formal sale deeds, was ever executed in the Noticee's name. The Learned Advocate is thus unable to place on record formal statutory proofs of vehicle ownership/transfer to corroborate these specific fund transfers.

151. I find that in the SCN there are various high value transaction of more than 1 lakh received in the Bank of Baroda account of Noticee No. 12 which is attributed to Noticee No. 10. Pursuant to the receipt of fund from Noticee No. 10, the fund is subsequently transferred to other connected Noticees. For instance, on September 3, 2021, an amount of Rs. 5,00,000/- received from Noticee No. 10 was transferred to Noticee No. 14 on the same day. Similarly, on October 13, 2021, out of an amount of 5,00,000/- received from Noticee No. 10, Rs. 4,90,000/- was transferred to Noticee No. 14 on the same day. I note that on October 14, 2021 one credit entry of Rs.14,00,000/- received from Noticee No. 10 was transferred by Noticee No. 12 to one “Bhurawala Motors”. While one transaction appears to be made to “Bhurawala Motors”, the other two transactions which amounted to Rs. 9,90,000/- was subsequently transferred to Noticee No. 14. I note from the SCN that Noticee No. 12 also transferred funds to Noticee No. 14 in 2021 from his Kotak Mahindra Bank a/c no. XXXXXX6270.

152. As regards the above receipt of funds, Noticee No. 14 has in his submission stated that the receipt of funds from Noticee No. 12 was in consideration for the sale of old BMW car in 2021 for a price of Rs. 14,90,000/-. Noticee No. 14 has submitted a copy of vehicle registration



certificate where I note that for Car Model – “BMW CKD 520 D Auto Trans BSIV” bearing chasis no. WBAFW35020C962296 the “owner name” is changed from Noticee No. 14 to Noticee No. 12. As regards the instances of phone calls between Noticee No. 10 and Noticee No. 14 one week prior to the listing of the shares of VJL, Noticee No. 14 has submitted that the calls were follow up on the balance payment for the sale of the car. I do not agree with this contention of Noticee No. 14 as I note from the ledger account submitted by the Noticee No. 14 for the sale of car that the payments for sale were made on September 3, 2021 (Rs.5,00,000), October 14, 2021 (Rs.4,90,000/-) and December 14, 2021 (Rs.5,00,000/-). The SME IPO of VJL was in July 18, 2022, almost six months after the payment for the sale of car.

153. However, it may be noted that the fund transfers have been referred in the SCN as a basis to draw connection amongst the Noticees, thereby to form a connected group of entities involved in publication of Zee article and other misleading publicity material and also to form a connected group of entities who dealt in the shares of VJL during the IP.

Noticee No. 11:

154. In Patch-1, Noticee No. 11 contributed;

- (a) ₹25.65, i.e., 12.76% to total market positive LTP (₹24 to net LTP) through 28 trades;
- (b) ₹4.50 to market NHP that was 6.99% of market NHP.

155. In Patch-2, Noticee No. 11 contributed;

- (a) ₹149.30 i.e. 30.23% to total market positive LTP (₹136.80 to net LTP), and
- (b) ₹10.40 i.e. 12.51% to market NHP through 59 trades. Out of the above 59 instances of positive LTP trades, 54 trades were executed for 2,000 shares each.

156. Further, 15 of such trades were with Noticee No. 12 and 15 contributing ₹71.75 to market LTP, as under:

Table-26

Name of Counterparty	No. of Trades	Sum of LTP Rate
Noticee No. 12	8	51.4
Noticee No. 15	7	20.35

157. All the 8 positive LTP trades of Noticee No.11 were synchronized with trades of Noticee No. 12, as under:



Table-27

TR AD E_D ATE	CLIENTNA ME	CP_CLIENT NAME	ORDER_N O	CP_ORDER _NO	TRADE_TI ME	ORDER_L MTIME	CP_ORDER _LMTIME	TRADE _RATE	LTP _RA TE	TRADE_V ALUE	ORDER_ LMRAT E	CP_ORD ER_LMR ATE	TRADE D_QTY
31/0 1/23	BHAVYA DHIMAN	DIPAK MATHURB HAI SALVI	1675135800 001135013	1675135800 001135011	15:25:57.82 8921	15:25:57.82 8921	15:25:39.78 4269	115.9	11	3245200	115.9	115.9	28000
01/0 2/23	BHAVYA DHIMAN	DIPAK MATHURB HAI SALVI	1675222200 001104072	1675222200 001104071	15:23:45.54 4430	15:23:45.54 4430	15:23:41.84 2127	115.9	0.9	927200	115.9	115.9	8000
03/0 2/23	BHAVYA DHIMAN	DIPAK MATHURB HAI SALVI	1675395000 001091052	1675395000 001091051	14:30:55.39 9297	14:30:55.39 9297	14:30:53.34 3411	122.85	7.8	245700	122.85	122.85	2000
03/0 2/23	BHAVYA DHIMAN	DIPAK MATHURB HAI SALVI	1675395000 001091062	1675395000 001091061	15:20:07.74 0487	15:20:07.74 0487	15:20:06.15 7262	122.85	7.8	245700	122.9	122.85	2000
03/0 2/23	BHAVYA DHIMAN	DIPAK MATHURB HAI SALVI	1675395000 001091074	1675395000 001091073	15:28:02.98 5005	15:28:02.98 5005	15:28:01.74 6416	122.4	6.9	244800	122.4	122.4	2000
06/0 2/23	BHAVYA DHIMAN	DIPAK MATHURB HAI SALVI	1675654200 000101038	1675654200 000101037	12:39:30.27 9753	12:39:30.27 9753	12:39:29.67 6622	121.95	6.95	243900	121.95	121.95	2000
08/0 2/23	BHAVYA DHIMAN	DIPAK MATHURB HAI SALVI	1675827000 001038043	1675827000 001038042	14:00:25.82 4835	14:00:25.82 4835	14:00:24.24 9711	136.15	6.15	272300	136.15	136.15	2000
13/0 2/23	BHAVYA DHIMAN	DIPAK MATHURB HAI SALVI	1676259000 001076057	1676259000 001076056	12:18:35.23 9037	12:18:35.23 9037	12:18:34.47 3167	134.9	3.9	269800	134.9	134.9	2000

The 7 positive LTP trades with Noticee No. 15 were synchronized in nature, as under:

TRADE_ DATE	CLIENTN AME	CP_CLIE NTNAM E	ORDER_N O	CP_ORDER _NO	TRADE_TI ME	ORDER_L MTIME	CP_ORDER _LMTIME	TRADE _RATE	LTP _RA TE	TRADE_V ALUE	ORDER_ LMRA TE	CP_ORD ER_LMR ATE	TRADE_ QTY
29/12/22	BHAVYA DHIMAN	AKSHA Y RAJEND RABHAI OSWAL	1672284600 001099085	1672284600 001099084	15:29:41.58 5298	15:29:41.58 5298	15:29:39.68 5654	82.95	1.55	165900	82.95	82.95	2000
04/01/23	BHAVYA DHIMAN	AKSHA Y RAJEND RABHAI OSWAL	1672803000 001156046	1672803000 001156036	09:59:52.73 7754	09:59:52.73 7754	09:56:22.39 7198	86.2	0.2	172400	86.2	86.2	2000
04/01/23	BHAVYA DHIMAN	AKSHA Y RAJEND RABHAI OSWAL	1672803000 001156053	1672803000 001156036	10:00:08.72 6947	10:00:08.72 6947	09:56:22.39 7198	86.2	0.2	172400	86.2	86.2	2000
27/01/23	BHAVYA DHIMAN	AKSHA Y RAJEND RABHAI OSWAL	1674790200 002093017	1674790200 002093016	13:23:32.87 3745	13:23:32.87 3745	12:56:59.80 4514	125	5	250000	125	125	2000
27/01/23	BHAVYA DHIMAN	AKSHA Y RAJEND RABHAI OSWAL	1674790200 002093044	1674790200 002093043	15:13:09.46 7755	15:13:09.46 7755	15:12:35.89 9212	118	4	236000	118	118	2000
01/02/23	BHAVYA DHIMAN	AKSHA Y RAJEND RABHAI OSWAL	1675222200 001104081	1675222200 001104078	15:24:35.20 5647	15:24:35.20 5647	15:24:25.88 1377	115.85	0.35	3012100	115.9	115.85	26000
10/02/23	BHAVYA DHIMAN	AKSHA Y RAJEND RABHAI OSWAL	1675999800 001007020	1675999800 001007019	11:06:04.78 8574	11:06:04.78 8574	11:06:03.34 3254	131.95	9.05	263900	131.95	131.95	2000

158. Noticee No. 11 has contended that SCN has selectively analyzed the Noticees trades and has only taken into account the Noticee's buy trades that contributed to the LTP, while ignoring buy and sell trades executed at LTP or less than the LTP, across Patches 1 to 3. A holistic analysis of Noticee's trading pattern across patches shows that a majority of the buy trades were placed at or lower than LTP. The SCN has disregarded: (i) the absence of collusion with the counter-party; (b) the fact that the Noticee's trades were a reaction to pending sell orders in the system; (c) the trades resulted in transfer of beneficial ownership. Noticee No. 11 has further contended



that as far as synchronized trades are concerned, out of the 843 trades, a total of 15 trades are alleged to be synchronized – 8 trades with Noticee No. 12 and 7 with Noticee No. 15. Noticee No. 11 has submitted that there is no connection whatsoever with Noticee No. 15. Simply because, trades were synchronized cannot render them illegal. Noticee has contended that SCN simply claims that placing buy orders above LTP is manipulative while disregarding (a) the absence of collusion with the counterparty, (b) the fact that the Noticee's trades were a reaction to pending sell orders in the system; (c) the trades resulted in transfer of beneficial ownership. Noticee has relied on the rulings of Hon'ble SAT in the matter of *Nishit M. Shah vs. SEBI*¹² and *Rajani Dusad vs. SEBI*¹³.

159. I note that in the matter of *Nishit M. Shah*, the Hon'ble SAT had held that the element of collusion between the buyer and the seller is a *sine quo non*. Similarly, in the matter of *Rajani Dusad*, applying the precedent set in *Nishit M Shah*, the Hon'ble SAT held that the Noticee purchased shares from unknown counterparties who had already placed sell orders above the LTP; the Hon'ble SAT ruled that the Noticee could not be held liable for manipulation without evidence of a connection to those sellers. I find that the rulings in the above two matters cannot help Noticee No.11. It is established that Noticees No 10, 11 and 12 were closely involved in the publication of the misleading Zee article and You Tube Videos in relation to SME IPO of VJL. Subsequently, they started dealing in the shares of VJL in significant quantities upon listing of shares of VJL which was part of the scheme to indulge in an act which created misleading appearance of trading and contributed significantly in creation of volume and rise in price of the scrip. Noticee No. 11 has submitted that orders were placed by him above LTP with an intent to acquire substantial number of shares. It is noted that the total traded quantity in the 28 instances of trades by Noticee No. 11 contributing to market positive LTP was 1,12,000 shares, i.e. 4,000 shares per instance, which was the lot size for trading in shares of VJL. Thus, aforementioned submissions made by Noticee No. 11 lack credibility. He purchased shares of VJL in miniscule quantities through multiple trades and contributed significantly to the price-rise and volume. As regards the contention that he was not connected with Noticee No. 15, I note that Noticee No. 11 and 15 were both connected to Noticee No. 10 through phone calls and fund transfers. CDR and the bank statement of Noticee No. 15 shows such connections and concerted participation in whole fraudulent scheme.

¹² Order dated January 16, 2020.

¹³ Order dated November 24, 2023.

**Noticee No. 12:**

160. In Patch-1, Noticee No. 12 contributed;

- (a) ₹1.70 i.e. 0.85% to total market positive LTP;
- (b) ₹56.75 i.e. 11.49% to total market positive LTP (₹55.95 to net LTP) through 13 trades.
- Out of 13 instances of positive LTP trades, 10 trades were executed for 2,000 shares each, which was the lot size for trading in shares of VJL.

161. The 10 trades contributing ₹45.80 to total market positive LTP were with Noticee No. 11 and 15 as given in following table:

Table-28

Counterparty NOticee	No. of Trades	Sum of LTP Rate
Noticee No. 11	7	33.15
Noticee No. 15	3	12.65

162. All the 10 positive LTP trades with Noticee No. 11 and Noticee No. 15 were found to be synchronized in nature a shown below:

Table -29

TRADE_DATE	CLIENTNAME	CP_CLIENTNAME	ORDER_NO	CP_ORDER_NO	TRADE_TIME	ORDER_LMTIME	CP_ORDER_LMTIME	TRADE_RATE	LTP_RATE	TRADE_VALUE	ORDER_LMRATE	CP_ORDER_LMRATE	TRADE_QTY
03/01/2023	DIPAK MATHURBHAI SALVI	AKSHAY RAJENDRABHAI OSWAL	1672716600001095019	1672716600001095018	14:52:43.924337	14:52:43.924337	14:52:42.401216	84.7	3.85	169400	85	84.7	2000
01/02/2023	DIPAK MATHURBHAI SALVI	AKSHAY RAJENDRABHAI OSWAL	1675222200001104052	1675222200001104051	15:06:58.173371	15:06:58.173371	15:06:52.835629	114.25	8.65	228500	115	114.25	2000
03/02/2023	DIPAK MATHURBHAI SALVI	AKSHAY RAJENDRABHAI OSWAL	1675395000001091032	1675395000001091031	12:15:18.734916	12:15:18.734916	12:15:14.814176	123.9	0.15	247800	123.9	123.9	2000
03/02/2023	DIPAK MATHURBHAI SALVI	BHAVYADHIMAN	1675395000001091055	1675395000001091054	14:36:53.083643	14:36:53.083643	14:36:51.213082	122.85	5.85	245700	122.85	122.85	2000
06/02/2023	DIPAK MATHURBHAI SALVI	BHAVYADHIMAN	1675654200000101012	1675654200000101011	09:36:33.507377	09:36:33.507377	09:36:33.320089	123.45	8.8	246900	123.45	123.45	2000
07/02/2023	DIPAK MATHURBHAI SALVI	BHAVYADHIMAN	1675740600001006012	1675740600001006011	09:27:30.818564	09:27:30.818564	09:27:30.635728	131.9	6.2	263800	131.9	131.9	2000
10/02/2023	DIPAK MATHURBHAI SALVI	BHAVYADHIMAN	1675999800001007057	1675999800001007056	15:12:15.451639	15:12:15.451639	15:12:15.372638	134.9	5.9	2158400	134.9	134.9	16000



TRADE_DATE	CLIENTNAME	CP_CLIENTNAME	ORDER_NO	CP_ORDER_NO	TRADE_TIME	ORDER_LMTIME	CP_ORDER_LMTIME	TRADE_RATE	LTP_RATE	TRADE_VALUE	ORDER_LMRATE	CP_ORDER_LMRATE	TRADED_QTY
	AI SALVI												
10/02/2023	DIPAK MATH URBH AI SALVI	BHAVY A DHIMAN	1675999800001007070	1675999800001007064	15:16:18.462054	15:16:18.462054	15:15:23.134432	135.65	0.65	2713000	135.65	135.65	20000
13/02/2023	DIPAK MATH URBH AI SALVI	BHAVY A DHIMAN	1676259000001076078	1676259000001076077	15:04:56.558797	15:04:56.558797	15:04:56.433037	139.75	3.75	279500	139.75	139.75	2000
14/02/2023	DIPAK MATH URBH AI SALVI	BHAVY A DHIMAN	1676345400001050039	1676345400001050038	10:12:06.417960	10:12:06.417960	10:12:05.327442	143	2	7150000	143	143	50000

163. Noticee No. 10 has contended that SCN has alleged Noticee No. 12 as a “mule account”, and that this narrative is undermined by the statement of SW Capital Private Limited which has claimed that they had appointed the said Noticee No. 12 as a “jobber”. I note that Noticee No. 12 has not responded to the SCN and hearing notices. Summons issued to Noticee No. 12 at the time of investigation *inter alia* requiring his presence and seeking details in relation to his dealings were also not obeyed. Investigation and SCN has observed that Noticee No. 12 is a mule account of Noticee No. 10 whose account was operated by Noticee No. 11. I also note that the 7 positive LTP trades were found to be synchronized with Noticee no. 11. SCN has observed that the wrongful gains made by Noticee No. 12 by dealing in shares of VJL shall be attributed to Noticee No. 10. The contribution of Noticee no. 12 in the entire scheme is that is accounts have been utilized by Noticee No. 10 and 11. I find that since Noticee No.12 has not obeyed to summons and has kept away from these proceedings, he is presumed to have admitted to the allegations.

Noticee No. 13:

164. Noticee No. 13 started dealing in shares of VJL immediately upon its listing wherein it bought 1,48,000 shares in tranches during Patch-1 contributing ₹2.00 to total market positive LTP and ₹0.10 to total market NHP. During the investigation, Noticee No. 13 had submitted that he was acquainted with Noticee No. 10 and as regards his reason for investment in VJL, Noticee No. 13 had submitted that VJL is known for its innovative approach to the jewellery industry, and VJL’s forward-thinking approach was a compelling factor for investment in the scrip. I find these contentions evasive. Other than such attractive claims about the stock of VJL, there no material



to support such claims. It is noted that Karta of Noticee No. 13 had 19 calls during February – December 2022 with Noticee No. 10 and his family members. I find that the calls coincide with period of his trades in Patch-1.

Noticee No. 14:

165. Noticee No. 14 purchased 1,00,000 shares of VJL immediately upon listing on July 19, 2022, and sold the same in tranche during Patch-2 wherein counterparty to 42,000 trades was Noticee No. 11. Noticee No. 14 has contended that the trades done in the scrip of VJL were bona fide and exceedingly insignificant vis-a-vis his total trading. There is no connection with trades carried and the videos uploaded on YouTube or publication of Zee article. The mere existence of call communications and fund transfer between him and other Noticees is no ground to consider me as suspect entities. There is no concrete evidence to suggest that he engaged in any unlawful activities or derived unlawful gains. Noticee No. 14's contribution to LTP during Patch- I was limited to merely 3 trades out of a total of 315 trades which is miniscule to warrant serious allegation of fraudulent and unfair trade practices and / or levy disgorgement.

166. However, from the analysis of CDRs and fund transfers it is noted that Noticee No. 14 was acquainted with Noticee No. 10. In 2021, Noticee No. 14 had received funds from Noticee No. 11 who had further received the credit from Noticee No. 10. Analysis of CDRs further revealed that Noticee No. 14 (XXXXXX1111) had made 12 calls during April – September 2022 with Noticee No. 10 and his connected entities including family members (XXXXXX5667, XXXXXX5605), out of which 7 calls were during July 10-12, 2022, i.e. a week prior to listing of shares of VJL. Noticee No. 14 has purchased 1,00,000 shares of VJL immediately upon listing on July 19, 2022 and sold the same in tranche during Patch-2. I note that there is no allegation of LTP and NHP or synchronized trades against Noticee No. 14 and the allegation against the Noticee No. 14 is only of volume manipulation which shall be considered accordingly.

Noticee No. 15:

167. During Patch-1, Noticee No. 15 contributed;

- (a) ₹26.70 i.e. 13.28% to total market positive LTP (₹21.75 to net LTP) through 41 trades;
- (b) ₹6.80 to market NHP that was 10.57% of market NHP.

168. Noticee No. 15 was the top buyer as well as the top seller during Patch-1, i.e. shares of VJL were bought and sold by him within a short period of time. Further, out of 41 instances of positive



LTP trades, 39 trades were executed for 4,000 shares each, which was the lot size for trading in shares of VJL. During Patch-2, Noticee No. 15 contributed ₹100.35 i.e. 20.32% to total market positive LTP (₹94.30 to net LTP) and ₹7.95 i.e. 9.56% to market NHP through 45 trades. Out of 45 instances of positive LTP trades, 35 trades were executed for 2,000 shares each, which was the lot size for trading in shares of VJL. Out of the 45 trades, 10 trades were with Noticee No. 11 and 12 contributing ₹43.90 to market LTP as shown in the following table:

Table -30

Name of Counterparty	No. of Trades	Sum of LTP Rate
Noticee No. 11	8	32.35
Noticee No. 12	2	11.55

169. All the 10 positive LTP trades with Noticee No. 11 and 12 were found to be synchronized in nature, as described in the following table:

Table -31

TRADE_DATE	CLIENT_NAME	CP_CLIENT_NAME	ORDER_NO	CP_ORDER_NO	TRADE_TIME	ORDER_LTIME	CP_ORDER_LTIME	TRADE_RATE	LTP_RATE	TRADE_VALUE	ORDER_LMRATE	CP_ORDER_LMRATE	TRADED_QTY
23/12/22	AKSHAY RAJEND RABHAI OSWAL	BHAVYA DHIMAN	167176620000006121	167176620000006120	14:01:39.805980	14:01:39.805980	14:01:37.808516	86.5	1	173000	86.5	86.5	2000
23/12/22	AKSHAY RAJEND RABHAI OSWAL	BHAVYA DHIMAN	167176620000006124	167176620000006120	14:01:49.604848	14:01:49.604848	14:01:37.808516	86.5	0.05	173000	86.5	86.5	2000
30/12/22	AKSHAY RAJEND RABHAI OSWAL	BHAVYA DHIMAN	1672371000001056029	1672371000001056028	15:24:22.687607	15:24:22.687607	15:24:22.047187	82.85	4.85	165700	82.85	82.85	2000
20/01/23	AKSHAY RAJEND RABHAI OSWAL	BHAVYA DHIMAN	1674185400001010067	1674185400001010066	15:28:06.378118	15:28:06.378118	15:28:03.012453	121.9	6.9	243800	121.9	121.9	2000
27/01/23	AKSHAY RAJEND RABHAI OSWAL	BHAVYA DHIMAN	1674790200002093005	1674790200002093004	09:37:26.980723	09:37:26.980723	09:37:24.598883	126	6	252000	126	126	2000
27/01/23	AKSHAY RAJEND RABHAI OSWAL	BHAVYA DHIMAN	1674790200002093035	1674790200002093034	15:03:51.974368	15:03:51.974368	15:03:50.049616	122.9	7.9	245800	122.9	122.9	2000
01/02/23	AKSHAY RAJEND RABHAI OSWAL	DIPAK MATHURB HAI SALVI	1675222200001104047	1675222200001104046	14:05:49.079577	14:05:49.079577	14:05:47.746030	114.8	5.8	688800	114.8	114.8	6000
01/02/23	AKSHAY RAJEND RABHAI OSWAL	BHAVYA DHIMAN	1675222200001104077	1675222200001104076	15:24:12.567724	15:24:12.567724	15:24:03.641314	115.9	0.4	2781600	115.9	115.9	24000
02/02/23	AKSHAY RAJEND RABHAI OSWAL	BHAVYA DHIMAN	1675308600001076010	1675308600001076009	09:30:54.507223	09:30:54.507223	09:30:46.460732	118	5.25	236000	118	118	2000
03/02/23	AKSHAY RAJEND RABHAI OSWAL	DIPAK MATHURB HAI SALVI	1675395000001091005	1675395000001091004	09:17:47.690249	09:17:47.690249	09:17:43.801733	123.75	5.75	247500	123.9	123.75	2000



170. Noticee No. 15 also sold shares of VJL in significant quantities during Patch-4 wherein the counterparties in most of his trades were Noticee No. 16 and other connected entities, as under:

Table -32

Name of Counterparty	Quantity
Mahadev Manubhai Makvana	16,03,200
Nikhil Rajesh Singh	10,18,700
Noticee No. 16	5,17,700
Others	5,84,500
Total	37,24,100

171. Noticee No. 15 has contended he is a trader / investor in the capital market since several years. He is not associated with any of the person mentioned in SCN. He subscribed to the IPO based on value judgement. He has not carried out any synchronized trades. All his trade in the script was delivery based and he has held the delivery for more than four months. He has booked loss due to which his personal net worth is negative. He has not carried out any price rigging or spoofing and have no manipulative interest in the script. As the market did not move in the manner envisaged for VJL he liquidated the position at a loss of 69.10 lakhs.

172. However, I find that the main perpetrator i.e. Noticee No. 10 had multiple instances of fund transfers with the mother of Noticee No. 15, as under:

Table -32

Date	Particulars	Debit (₹)	Credit (₹)
16/05/21	IMPS-113618655806-MONIKARAVIKUMAR OSWAL-HDFC-XXXXXXXXXXXX0695-		20,000
17/05/21	IMPS-113720946604-MONIKARAVIKUMAR OSWAL-HDFC-XXXXXXXXXXXX0695-		50,000
17/05/21	IMPS-113720972644-MONIKARAVIKUMAR OSWAL-HDFC-XXXXXXXXXXXX0695-		25,000
18/05/21	IMPS-113806394004-MONIKARAVIKUMAR OSWAL-HDFC-XXXXXXXXXXXX0695-		1,60,000
18/05/21	IMPS-113808554048-MONIKARAVIKUMAR OSWAL-HDFC-XXXXXXXXXXXX0695-		25,000
30/05/22	NEFT CR-UTIB0002647-MONIKA RAVIKUMAROSWAL-MEGH SHAH-AXMB221506890459		2,00,000
28/07/22	IMPS-RIB/Fund Trf/220909139277/MONIKA RAVIKUMAROSWAL/916010051740695UTIB/	100,000	
27/12/22	IMPS-MOB/Fund Trf/236115753729/MONIKA RAVIKUMAR/916010051740695/		300,000
24/01/23	NEFT/AXMB230248389638/MONIKA RAVIKUMAR OSWAL/UTIB0002647		500,000
21/02/23	IMPS-MOB/Fund Trf/305214364485/MONIKA RAVIKUMAR/9 16010051740695/		160,000



22/03/23	NEFT/AXMB230811953279/MONIKA RAVIKUMAR OSWAL/UTIB0002647		2,000,000
15/04/23	IMPS-MOB/Fund Trf/310516693858/MONIKA RAVIKUMAR/9 16010051740695/NA		500,000
18/04/23	NEFT/AXMB231083634255/MONIKA RAVIKUMAR OSWAL/UTIB0002647		600,000
20/04/23	IMPS-MOB/Fund Trf/311016793737/MONIKA RAVIKUMAR/91 6010051740695/NA		300,000
16/05/21	IMPS-113618655806-MONIKARAVIKUMAR OSWAL- HDFC-XXXXXXXXXXXX0695-		20,000
17/05/21	IMPS-113720946604-MONIKARAVIKUMAR OSWAL- HDFC-XXXXXXXXXXXX0695-		50,000

173. The reason of such fund transfers that too amounting to Rs. 49,10,000/- has not been explained by these Noticees with support of any cogent evidence. Such fund transfers show that Noticee No. 10 who had a significant role to play in the misleading Zee article and You Tube Videos was connected with Noticee No. 15. Further, Noticee no. 10 had made numerous calls to Oswal Shares and Securities Ltd, the broker of Noticee No. 15 who the top buyer and seller in Patch 1 and among the top 3 buyer and seller in Patch 2. In Patch-3, Noticee No. 15 was the third amongst the top three buyers with 7.33% contribution respectively, to the market volume. Noticee No. 15 continued to trade in Patch 3- and 4 and was also observed to be creating misleading appearance of trading that contributed significantly in creation of volume.

174. I note that such significant trades of Noticee No. 15 in a scrip that did not have a strong financials is intriguing. Moreover, Noticee No. 15 incurred a loss of ₹69,10,584 in total by dealing in shares of VJL. Trading frequently in a scrip in significant quantities and incurring losses repeatedly is devoid of any economic rationale especially when the scrip did not have strong financials. Noticee No. 15 was the top trader in the price rise patches and even contributed to the LTP and NHP during the price rise. He continued to trade heavily in Patch-3 and 4 contributing significantly in creation of volume. It is established that he played an active role in creation of price rise and creation of volume in the scrip of VJL.

175. Noticee No. 15, 10 and 11 were the top three buyer in Patch-1 who contributed 11.17%, 10.11% and 8.58% respectively constituting 29.86% of the suspected entities buy volume of 44.30% in Patch-1. Investigation has observed that price of scrip of VJL registered a rise of 250% on close-to-close basis within a span of 29 trading days after its listing on July 18, 2022 and I find that Noticee No. 10, 11, 12, 13, 14, and 15 contributed significantly to creation of volume and /or rise in price of the scrip of VJL during Patch-1 and Patch-2. As noted earlier VJL did not have



sound financials to attract many investors thus, during Patch-1 and Patch-2 Noticee No. 10 along with his mule account Noticee No. 12 and other connected Noticees viz. Noticee No. 11, 13, 14 and 15 dealt in the scrip of VJL in significant quantities. Noticee No. 11, 12 and 15 also indulged in synchronized trades and contributed significantly to rise in price of the scrip by placing trades above LTP and establishing NHP. I find that the contention that no manipulative trades was carried out by the Noticees and there was no manipulative trading pattern is patently erroneous. The facts and circumstances supported by chain of admitted events show that these Noticees traded in the scrip of VJL as described in the SCN as a cohesive group with a predetermined mind-set of fraudulent dealings in scrip of VJL over a long period of time. Thus, the allegation of violation of Sections 12A(a), 12A(b), and 12A(c) of SEBI Act, 1992, and Regulations 3(a), 3(b), 3(c), 3(d), 4(1), 4(2)(a) and 4(2)(e) read with Regulation 2(1)(c) of PFUTP Regulations is established against Noticee No. 10, 11, 12, 13 and 15. Noticee No. 14, has violated provisions of Sections 12A(a), 12A(b), and 12A(c) of SEBI Act, and Regulations 3(a), 3(b), 3(c), 3(d), 4(1), and 4(2)(a) read with Regulation 2(1)(c) of PFUTP Regulations.

Noticee No. 16 and Noticee No. 17:

176. Noticee No. 16 and 17 have contended that in entire findings of IR, nothing has been observed or alleged against them in the aspect of publishing misleading Zee article and other publicity material displayed over social media including YouTube videos or contribution in the price rise during Patch I or Patch 2. The only observation alleged against Noticee No. 16 and 17 is that the Noticee No. 16 was amongst the top clients and contributed 9.03% to the buy volume and 10.38% to the sell volume during Patch-4 with a view to generate artificial volume and the counterparty to the majority of trades of the Noticees were other suspected entities. The Noticee No. 16 and 17 have contended that the allegation of contribution in the rise of price of VJL, against them is conflicting with findings of IR.

177. I do not agree with the contention that there are contradictory findings against the Noticees in the SCN. The allegation at para. 97 of the SCN is that Noticee No. 16 and 17 indulged in an act which created misleading appearance of trading and contributed significantly in creation of volume. There is no allegation of price rise against Noticee No. 16 and 17. Accordingly, the contention is misplaced.



178. I note that Noticee No. 16 is a SEBI registered Market Maker and a Stock Broker. Noticee No. 17 is a group entity of Noticee No. 16. One Mr. Nikunj Anilkumar Mittal, is both the Director and Promoter of Noticee No. 16 and 17. On March 23, 2023 Noticee No. 16 was appointed as a market maker of VJL. During Patch-4, Noticee No. 16 was amongst the top client who contributed 9.03% to the buy volume and 10.38% to the sell volume. In terms of corporate announcement dated May 12, 2023, the shares of VJL were split in the ratio 1:10, and bonus shares were issued in the ratio 2:3, record date being May 19, 2023. Pursuant to stock split and issuance of bonus, the close-price of the shares on May 19, 2023 was ₹3.65, and the same closed at ₹1.41 on May 31, 2024. During the price fall patches, especially in Patch-4 i.e. after the stock split, Noticees No.16 and 17 had dealt in the shares of VJL in significant quantities.

Table -33

Dealings pre-split

Noticee	Buy	Rate	Value	Sell	Rate	Value	Profit/ Loss	Balance Qty. Shares
Noticee No. 16	3,89,000	101.04	3,93,05,160	2,41,000	90.79	2,18,80,090	- 24,70,250.00	1,48,000
Noticee No. 17	26,000	99.00	25,74,000	0	0.00	0	0	26,000

Balance quantity shares post-split and bonus issuance

Noticee	Qty. carried forward	Rate	Value	Qty. after split	Effective Rate	Value	Qty. after bonus (2:3)	Effective Rate	Value
No. 16	1,48,000	101.04	1,49,53,920	14,80,000	10.10	1,49,53,920	24,66,667	6.06	1,49,53,920
No. 17	26,000	99.00	25,74,000	2,60,000	9.90	25,74,000	4,33,333	5.94	25,74,000

Dealings post-split

Noticee	Buy	Rate	Value	Sell	Rate	Value	Profit/ Loss
No. 16	1,45,95,163	2.20	3,20,70,177	1,67,00,000	2.12	3,54,70,299	- 1,06,22,859
No. 17	0	0.00	0	4,17,500	1.44	6,01,701	-18,78,750

179. Noticee No. 16 and 17 incurred a loss of ₹1,49,71,859 in total while dealing in shares of VJL. Noticee No. 16 has submitted that decision to deal in shares of VJL was taken by Mr. Nikunj Anilkumar Mittal, Director and Promoter of Noticee No. 16 and 17. The dealer for the trades was one Mr. Pravin Dadlika. Analysis of CDRs revealed calls between Mr. Pravin Dadlika (XXXXXXX1020) and Noticee No. 10 (XXXXXXX5667). Several calls were also observed



between Mr. Nikunj Anilkumar Mittal (XXXXXX6000) and Noticee No. 10 (XXXXXX5667). These Noticees have contended that calls between Mr. Nikunj Mittal and Noticee No. 10 were exchanged only on 3 instances during Patch-3 but not a single trade was executed with suspected entities on the date of the call. Before being appointed as a market maker on March 23, 2023, Noticees executed trade only on February 28, 2023 and not a single call was exchanged with Noticee No. 10 on February 28, 2023. With regard to observation that calls were exchanged between Mr. Pravin Dadlika and Noticee No. 10, Noticees have themselves submitted that 5 trades were matched with trades of Noticee No. 10 or suspected entities on 3 dates when calls were exchanged during the Patch-3 which spans nearly 65 trading days. The matched trades constituted only 2.59% of their total traded volume and 0.07% to total market traded volume.

180. The total buy and sell trades of Noticee No. 16 and 17 in Patch-3 and 4 with suspected entities i.e. other Noticees (and their connected entities) and with other entities in the market are summarized below: -

Table-34

Noticee No.16	Buy Traded Qty.	Sell Traded Qty.
Patch-3		
Trades with other Noticees and connected entities	2,66,000	21,000
Trades with other entities	65,000	2,20,000
Total	3,31,000	2,41,000
Patch-4		
Trades with other Noticees and connected entities	74,14,800	62,79,200
Trades with other entities	70,64,100	1,03,70,700
Total	1,44,78,900	1,66,49,900
Noticee No.17	Buy Traded Qty.	Sell Traded Qty.
Patch-3		
Trades with other Noticees and connected entities	26,000	-
Trades with other entities	-	-
Total	26,000	-
Patch-4		
Trades with other Noticees and connected entities	-	1,67,000
Trades with other entities	-	2,50,500
Total	-	4,17,500



181. As the allegation of volume manipulation pertains to Patch-4, in Patch-4 Noticee No. 16 bought 74,14,800 shares from Noticees and other connected entities and 70,64,100 shares from other entities in the market. Similarly, Noticee No. 16 sold 62,79,200 shares to Noticees and other connected entities and 1,03,70,700 shares to other entities in the market in Patch 4. As regards Noticee No. 17, the Noticee did not buy any shares in Patch 4 but sold 1,67,000 shares to Noticees and other connected entities and 2,50,500 shares to other entities in the market in Patch 4. From the buy and sell figures of Noticee No. 16 and 17 in Patch-4, I find that Noticee No. 16 have traded significant quantities with other Noticees and connected entities. In Patch -4, Noticee No. 16's buy trade is more 50% with other Noticees and connected entities. In the sale side, Noticee No. 16 have traded substantially with other Noticees and connected entities while also trading majorly with other entities in the market. Similarly, more than 50% of the sale trades of Noticee No. 17 is with other Noticees and connected entities in Patch -4. As Noticee No. 16 was appointed as a market maker, its main obligation was to provide liquidity by executing trades in the scrip of VJL, however, the counterparty trades of Noticee No. 16 and 17 have majorly been other Noticees and connected entities which raises severe red flags. Moreover, the instances of calls with Noticee No. 10 and promoter/director (Mr. Nikunj Anilkumar Mittal) and also with the dealer of the trades (Mr. Pravin Dadlika) demonstrate complicity. Noticees have themselves submitted that 5 trades were matched with trades of Noticee No. 10 or suspected entities on 3 dates when calls were exchanged during the Patch-3.

182. SCN has observed that Ms. Malti Salvi a connected entity transferred ₹75,00,000 to Noticee No. 17 from her account on September 01, 2023. Noticees have refuted the allegation that the payment from Matli Salvi was related to any undue benefit against the trades executed in the share of VJL or compensation against the losses incurred during the market-making activity. Noticees have submitted that the amount was for acquiring office premises in Shri Siddhi Vinayak Plaza in Andheri (West), Mumbai. The interested buyer had approached Mr. Anil Kumar Mittal (director of Noticee No. 17 and Secretary of the said building society) and requested to negotiate with the seller on his behalf. The said amount of ₹75,00,000 was transferred on behalf of prospective buyer from the bank account Ms. Malti Salvi to the bank account of Noticee No. 17. Later, the deal was not finalized between the said prospective buyer and Seller and thus the said amount was refunded in the same bank account of Malti Salvi. In this regard, a copy of the bank statement showing the refund was submitted.



183. I have perused the copy of the bank statement and note that the amount ₹75,00,000 which was transferred by Ms. Malti Salvi on September 01, 2023 was transferred back on September 11, 2024. I note that the amount was transferred by Ms. Malti Salvi during Patch-4 and the same was transferred back after the period of investigation had ended. Ms. Malti Salvi is a connected person in the investigation and there are various instances of fund transfers between Ms. Malti Salvi and Noticee No. 10. Noticee's contention is that the fund transfer was for acquiring office premises, however, the Noticees have not explained Malti Salvi's role in the entire arrangement of acquiring office premises. It is not clear why the prospective buyer would transfer fund from the account of Ms. Malti Salvi a connected entity to Noticee No. 10. In view thereof, I find that the claim of Noticee No. 16 and 17 is just an eyewash and an afterthought.

184. In Patch-4, Noticee No. 16 along with other Noticees and connected entities contributed 26.84% to the buy volume and 40.36% to the sell volume. Noticee No. 16 was the second top buyer with contribution of 9.03% to the market volume and the top seller with 10.38% contribution to market volume. I thus find that Noticee No. 16 and 17 helped the scrip achieve greater volume in Patch-4 and the violations of the provisions of Sections 12A(a), 12A(b), and 12A(c) of SEBI Act and Regulations 3(a), 3(b), 3(c), 3(d), 4(1), and 4(2)(a) read with Regulation 2(1)(c) of the PFUTP Regulations is established.

(d) Non compliance of summons.

185. The fourth but very crucial component of charge is non cooperation and lethargic indifference of masterminds of the plan Noticees No. 10 and 11.

186. SCN has alleged that summons dated April 27, 2023 was issued to Noticee No. 10 *inter alia* requiring his presence before the IA. He appeared before the IA on May 11, 2023. However, the submissions made by Noticee No. 10 during his statement of examination on oath was found to be untrue and misleading. Another summon dated July 19, 2024 was issued to Noticee No. 10 seeking certain details. Noticee No. 10 requested for extension in time to furnish requisite details. However, he failed to respond to the said summons despite the IA acceding to his request for extension in time. A reminder e-mail was also issued, however, Noticee No. 10 failed to observe compliance. SCN has alleged that his failure to provide details in response to summons dated July 19, 2024 hampered the investigation process as the investigation took considerable time to corroborate relevant information from third-party sources. Noticee No. 10 further failed to



provide details in relation to his dealings in shares of VJL as sought vide e-mails dated February 01, 2024 and July 12, 2024. SCN has alleged that Noticee No. 10 violated the provisions contained in Regulation 8(1)(a) of PFUTP Regulations read with Section 11C (3) of SEBI Act.

187. Noticee No. 10 was issued following summons dated February 01, 2024, July 12, 2024 and July 19, 2024 seeking details with respect to his dealings in VJL. The details / information sought, inter alia, of the said summonses are as follows:

Table-35

Date of summons	Information sought																				
February 01, 2024	1. Brief details of your occupation, annual income details and contact details (including all personal and official email id(s), all official and personal mobile/ land-line numbers, official and residential addresses, etc. 2. Details of your family members (including spouse, parents, children, siblings, in-laws, etc.), whether dependent or otherwise, along with their PAN, income and contact details. 3. Details of all bank accounts held by you in the format given below: <table><tr><td>Name</td><td>PAN</td><td>Name of the Bank</td><td>Account Number</td></tr><tr><td></td><td></td><td></td><td></td></tr></table> 4. Details of all the dealings done by you and your family members in the shares of Veerkrupa Jewellers Limited during the period from July, 2022 to November 2022 in the following format: <table><tr><td>Date</td><td>Name of Broker</td><td>Gross Qty. Bought</td><td>Buy Value</td><td>Gross Qty. Sold</td><td>Sell Value</td></tr><tr><td></td><td></td><td></td><td></td><td></td><td></td></tr></table> 5. Detailed rationale behind your dealings in the shares of Veerkrupa Jewellers Limited during aforesaid period. 6. Details of all the entities including Companies/ Partnership Firms/ Limited Liability Partnerships/ Proprietorship Firms etc. that you or your family members are associated with, whether directly or indirectly, in any manner whatsoever. 7. Details of your (including your family members') association/ relation/ connection, in any manner whatsoever, with Veerkrupa Jewellers Limited and its other related entities and their Promoters/ Directors/ Partners/ Proprietors/ Key Personnel etc. and their family members. 8. Details of your (including your family members') association/ relation/ connection, in any manner whatsoever, with the following (including that with the promoters/ directors/ partners/ proprietors/ employees etc. of non-individual entities or others):	Name	PAN	Name of the Bank	Account Number					Date	Name of Broker	Gross Qty. Bought	Buy Value	Gross Qty. Sold	Sell Value						
Name	PAN	Name of the Bank	Account Number																		
Date	Name of Broker	Gross Qty. Bought	Buy Value	Gross Qty. Sold	Sell Value																
July 12, 2024	1. Detail(s) of all the e-mail IDs and contact numbers owned/ used/ operated by you currently or during the past. 2. Detail(s) of all the Companies/ Firms/ Partnership Firms/ Limited Liability Partnerships etc. that you or your family members are/ were associated with, in any manner whatsoever. 3. Detail(s) of your (including your family members') relation/ connection/ association, whether direct or indirect, with the company viz. Veerkrupa Jewellers Ltd. and its promoters/ directors/ employees, etc. or any other entity associated with it, in any manner whatsoever. 4. Detail(s) of your (including your family members') relation/ connection/ association, whether direct or indirect, with the merchant banker of Veerkrupa Jewellers Ltd. i.e. First Overseas Capital Ltd. including any of its directors/ employees, etc., in any manner whatsoever.																				



	5. <i>Detail(s) of all dealings (including your family members and other persons/ entities related/ associated/ connected with you) in the shares of Veerkrupa Jewellers Ltd. during the period from July 18, 2022 to May 31, 2024. Below format may be used:</i> <table><tr><th>Sr. No.</th><th>Date</th><th>Buy Qty.</th><th>Buy Value</th><th>Avg. Buy Price</th><th>Sell Qty.</th><th>Sell Value</th><th>Avg. Sell Price</th></tr><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table> 6. <i>Detailed rationale behind dealings in the shares of Veerkrupa Jewellers Ltd.</i> 7. <i>Detailed reason behind placing buy orders at prices higher than last trading price ('LTP').</i> 8. <i>Detail(s) of your (including your family members') relation/ connection/ association, whether direct or indirect, with the following persons/ entities: a. Stockk Seva Marketing Pvt. Ltd. b. Bhavya Dhiman c. Dipak Mathurbhai Salvi/ Ajay Salvi/ Malti Salvi; d. Ankit Mahendrabhai Parlesha; e. Akshay Rajendrabhai Oswal; f. Dilip Satyanarayan Gupta; g. Paresh Dhirajlal Shah; h. Bhavesh A Vora HUF; i. Dharmesh Maldevbhai Godhania; j. Mahadev Manubhai Makvana; k. Nikhil Rajesh Singh; l. SW Capital Pvt. Ltd.; m. Chimanshu; n. Rakshit M. Shah; n. Vivid Mercantile Ltd.; o. Veeram Securities Ltd.; p. Veeram Vendors Ltd.</i>	Sr. No.	Date	Buy Qty.	Buy Value	Avg. Buy Price	Sell Qty.	Sell Value	Avg. Sell Price																
Sr. No.	Date	Buy Qty.	Buy Value	Avg. Buy Price	Sell Qty.	Sell Value	Avg. Sell Price																		
July 19, 2014	1. <i>Detail(s) of all dealings (including your family members and other persons/ entities related/ associated/ connected with you, in any manner whatsoever) in the shares of Veerkrupa Jewellers Ltd. during the period from July 18, 2022 to May 31, 2024.</i> 2. <i>Detailed rationale behind dealings in the shares of Veerkrupa Jewellers Ltd.</i> 3. <i>Detailed reason behind placing buy orders at prices higher than last trading price ('LTP').</i> 4. <i>Nature of your connection/ association (including your family members) with Ms. Monika Ravikumar Oswal (including her family members or any other person/ entity associated with him), in any manner whatsoever.</i> 5. <i>Detailed purpose of the below mentioned transactions with Ms. Monika Ravikumar Oswal along with requisite supporting records. Also, provide details of fund transactions, other than those mentioned below, with Ms. Monika Ravikumar Oswal and any other person/ entity related to her.</i> 6. <i>Nature of your connection/ association (including your family members) with M/S Udit Infracore Pvt. Ltd. (including its promoters/ directors/ key persons, etc.), in any manner whatsoever.</i> 7. <i>Detailed purpose of the below mentioned transactions with M/S Udit Infracore Pvt. Ltd. along with requisite supporting records. Also, provide details of fund transactions, other than those mentioned below, with M/S Udit Infracore Pvt. Ltd. and any other person/ entity related to it.</i> 8. <i>Nature of your connection/ association (including your family members), in any manner whatsoever, with the following persons/ entities and their promoters/ directors/ management/ key persons/ employees, etc.</i>																								

188. Noticee No. 10 has contended that the violation for non-compliance with summons is established not by mere act of non-reply but by the consequence of the act. The non-compliance must be shown to have materially impaired or hampered the investigation. The Noticee has relied on the *Adjudication Order in the matter Millstone Vyapar Pvt Ltd* (Order dated November 19, 2010) wherein, the non-compliance was a violation because no further trading details or any other material could be obtained and this hampered the investigation. Noticee has also relied on the order of Hon'ble SAT in *Kajol Impex Ltd v. SEBI* (Appeal No. 167 of 2009, Order dated October 8, 2009) where the Hon'ble SAT held that by not appearing before the IA and not furnishing the information, the appellant had hampered the investigations and throttled the



investigations by not responding to the summons. Noticee No. 10 contended that summons dated February 01, 2024, July 12, 2024 and July 19, 2024 sought information primarily relating to Noticee No. 10's dealing in the scrip and his financial transactions with other Noticees and connected entities. On plain reading of the SCN, the IA has successfully procured the exact information through its powers. The allegation that Noticee No. 10's failure provide information took considerable time to corroborate relevant information from third party sources cannot be a valid ground for establishing violation of Regulation 8(1)(a) of PFUTP Regulations read with Section 11C (3) of SEBI Act.

189. I do not agree with this contention of the Noticee. Any non-compliance of the summons of the IA hampers the process of investigation. The contention that the information was procured elsewhere through SEBI's powers is myopic and not sustainable. I find that the information sought pertained to and was unique to the relation and dealings of Noticee No. 10 and was called in order to carry out SEBI's statutory functions and duties of protecting the integrity of the securities market. In this regard, the Hon'ble SAT has recognized the importance of compliance of summons and in the matter of *DKG Buildcon Pvt. Ltd. v. SEBI* (Appeal No. 106 of 2006, Date of Decision: 07.01.2009), it has held: *"...It is of utmost importance that every person from whom information is sought should fully co-operate with the investigating officer and promptly produce all documents, records, information as may be necessary for the investigations. If persons are allowed to flout the summons issued to them during the course of the investigations, the Board as the watchdog of the securities market will not be able to perform its duties in protecting the interests of the investors and safeguarding the integrity of the securities market."*

190. In this context, it is also important to refer to the judgment of the Hon'ble SAT in the matter of *Mr. Jalaj Batra vs. SEBI* (Appeal no. 184 of 2010, date of decision dated December 06, 2010) wherein it observed: *".....We have observed time and again that it is of utmost importance that market players like the appellant should fully cooperate with the investigations that are carried out by the Board, the watchdog of the securities market. If market players and intermediaries avoid appearing before the investigating officer or furnish the necessary information sought from them, the Board as a market regulator will not be able to carry out its statutory functions and duties of protecting the integrity of the securities market and the investigations would be grossly hampered. Non co-operation with the market regulator has to be viewed seriously. We*



do not know what else would have come to light if the appellant had appeared before the investigating officer or if he had furnished the requisite information that was sought from him.”

191. Hon’ble Supreme Court in *SEBI vs. Bhavesh Pabari* (Civil Appeal No(S).11311 Of 2013) dated February 28, 2019, held that: “.....*Adjudicating Officer had, therefore, rightly recorded that non-compliance of summons had hampered the further course of investigation. The failure was without any justification. Agreeing with the said findings, the Appellate Tribunal has observed that details were withheld with a view to delay the investigation being conducted by SEBI to the detriment of investors from whom funds were collected by the appellants in contravention of CIS Regulations. We do not find any fault with the reasoning given. We are of the opinion that the fault squarely lied with the appellants and, thus, penalty of Rs.1,00,00,000/- (Rupees one crore only) for violation of Section 11C(3) under Section 15A(a) of the SEBI Act does not call for any interference.*”

192. In *Asian Films Production and Distribution Ltd. vs. SEBI* in Appeal No. 203 of 2010 decided on January 19, 2011, Hon’ble SAT held that :"*Non-compliance with summons is, indeed, a serious matter and cannot be viewed lightly. The respondent Board is the market regulator and has to regulate the securities market and the law provides that every person associated with the market in any manner should cooperate in the matter of carrying out investigations. In the year 2002, the provisions of the Act were amended and penalty for non-compliance with summons was enhanced considerably to make it more deterrent. Market players who do not cooperate with the regulator in the matter of investigations commit a serious wrong which can have serious repercussions in the market. We do not know what would have come to light if the company had furnished the information sought from it."*

193. It is well established that appearance and timely submission of information is crucial for the purpose of effective investigation proceedings and non-cooperation by an entity can be detrimental to the interest of investors and securities market on account of delay or hindrance in the investigation. Further, Noticee No. 10 played a pivotal role in the publication of the misleading ZEE article with respect to the SME IPO of VJL. Noticee No. 10 along with his mule account i.e Noticee No. 12 and other Noticees further indulged in an act which created misleading appearance of trading and contributed significantly in creation of volume and rise in price of the scrip of VJL. In the light of the aforesaid, the failure on the part of Noticee No. 10



to comply with the summons has to an extent hampered the investigation. It was the responsibility of Noticee No. 10 to provide information that was sought through the summons and was obligated to cooperate with the IA which he did not do so. Non-compliance of the summons is viewed seriously and consequently; Noticee No. 10 is liable for monetary penalty under section 15A(a) of the SEBI Act.

194. As regards summonses issued to Noticee No. 11, Summonses dated October 13, 2022, November 04, 2022, March 10, 2023, and April 27, 2023 were issued to Noticee No. 11 *inter alia* requiring his presence. Noticee No. 11 failed to appear before the IA. Another summons dated November 03, 2023 was issued *inter alia* requiring his presence before the IA on November 07, 2023. The Noticee appeared before the IA and as the proceedings of statement of examination on oath of Noticee No. 11 could not be completed on the said date, the same was proposed to be resumed the next day, i.e. November 08, 2023. However, Noticee No. 11 failed to appear before the IA despite undertaking for the same. SCN has alleged that due to Noticee No. 11's non-compliance, investigation took considerable time to corroborate relevant information from third-party sources, and his submissions would have accelerated the investigation. Noticee No. 11 further failed to provide details in relation to his dealings in shares of VJL as sought *vide* e-mail dated July 12, 2024. SCN has alleged that Noticee No. 11 violated the provisions contained in Regulation 8(1)(b) of the PFUTP Regulations read with Sections 11C(5) and 11C(7) of SEBI Act.

195. The violation alleged against Noticee No. 11 is that of Regulation 8(1)(b) of the PFUTP Regulations read with Sections 11C(5) and 11C(7) of SEBI Act. As per Regulation 8(1)(b) of the PFUTP Regulations it shall be the duty of every person in respect of whom an investigation has been ordered to appear before the IA personally when required to do so and to answer any question which is put to him by the IA in pursuance of the powers under the said regulations. Noticee No. 11 has contended that he has fully cooperated with the investigation and also responded to the queries and promptly furnished all documents sought. He appeared in person before the IA on November 7, 2023 during which he provided detailed statements and answered queries raised by the IA. The mere fact that he was unable to present himself the next day, does not mean that there was non-cooperation.



196. I note that pursuant to four summonses dated October 13, 2022, November 04, 2022, March 10, 2023, and April 27, 2023 issued requiring his presence, Noticee No. 11 finally appeared in person before the IA on November 7, 2023. However, as the proceedings of statement of examination on oath could not be completed on the said date, the same was proposed to be resumed the next day, i.e. November 08, 2023. I note that the Noticee undertook to appear the next day but failed to appear before the IA. Noticee No. 11 has contended that the mere fact that he was unable to present himself the next day, does not mean that there was non-cooperation. I find this approach of Noticee No. 11 to be lackadaisical in nature. Noticee No. 11 despite undertaking to appear before the IA the next day has wilfully disobeyed. It is well established that timely submission of information and appearance before the IA is essential for the purpose of effective investigation proceedings and non-cooperation by any entity can be detrimental to the interest of investors in the securities market on account of delay or hindrance in the investigation. In view of thereof, Noticee No. 11 has violated the provisions of Regulation 8(1)(b) of the PFUTP Regulations read with Sections 11C(5) and 11C(7) of SEBI Act.

(e) Wrongful gains:

197. The fifth and final limb is calculation of wrongful gains. The SCN has made calculation of wrongful gains made by Noticee No. 10 including his mule account of Noticee No. 12 and other connected Noticees i.e Noticee No. 11, Noticee No. 13, and Noticee No. 14, by dealing in shares of VJL. Noticee No. 13 and 12 further sold shares acquired before split of shares after the split occurred. Thus, the Profit/ Loss calculation of Noticee No. 13 and 12 is given below:

Table-36

Name	Qty. carried forward	Rate	Value	Qty. after split	Effective Rate	Value	Qty. after bonus (2:3)	Rate	Value	Sell Qty.	Effective Rate	Value	Profit/ Loss
Noticee No. 13	1,24,000	36.51	45,27,240	12,40,000	3.65	45,27,240	20,66,667	2.19	45,27,240	20,54,100	2.06	42,34,118	-2,64,361
Noticee No. 12	25,000	65.91	16,47,750	2,50,000	6.59	16,47,750	4,16,667	3.95	16,47,750	4,00,800	3.03	12,14,925	-3,70,079

198. As regards Noticee No. 3, SCN has observed that Noticee No. 3 sold certain amount of shares during the investigation period and made wrongful gains of ₹40,84,556. As per details mentioned under Prospectus, Noticee No. 2 transferred 3,75,000 shares of VJL to Noticee No. 3 @ ₹27 per share. Allotment of 6,00,000 bonus shares was made to Noticee No. 3 on February 12, 2022. The bonus shares allotted to Noticee No. 3 was an unduly benefit, thereby making it the largest



public shareholder with 19.84% pre-listing holding in VJL, and a beneficiary out of its holding of shares of VJL pursuant to its listing. The holding of shares of VJL by Noticee No. 3 vis-à-vis its cost of acquisition is depicted as under:

Table-37 (Holding prior to listing)

Qty. after purported transfer of shares from Chirag Shah (@ ₹27/ share)	Rate	Value	Qty. after bonus (10:16)	Effective Rate after bonus	Value	Qty. after purported transfer to Vishal Barot (@ ₹27/ share)	Effective Rate	Value
3,75,000	27.00	1,01,25,000	9,75,000	10.38	1,01,25,000	9,65,000	10.21	98,55,000

(Dealings pre-split)

Buy	Rate	Value	Sell	Rate	Value	Profit/ Loss	Balance Qty. Shares
2,000	100.80	2,01,600	2,000	100.70	2,01,400	-200	9,65,000

(Balance Qty. shares post-split and bonus issuance)

Qty. carried forward	Effective Rate	Value	Qty. after split	Effective Rate	Value	Qty. after bonus (2:3)	Effective Rate	Value
9,65,000	10.21	98,55,000	96,50,000	1.02	98,55,000	1,60,83,333	0.6127	98,55,000

(Dealings post-split)

Buy	Rate	Value	Sell	Rate	Value	Profit/ Loss
0	0.00	0	25,71,800	2.20	56,60,298	40,84,556

199. SCN has observed that the effective rate of acquisition of shares of VJL by Noticee No. 3 after the issuance of bonus during February 2022 (bonus ratio being 10:16), and again during May 2023 (bonus ration being 2:3) along with split of equity share of ₹10 each into 10 equity shares of ₹1 each, comes out to ₹0.6127 per share. Noticee No. 3 sold a portion of its holding in VJL during Patch-4, thereby making wrongful gains. In Patch-3 and in Patch-4 Noticee No. 3 transacted in the shares of VJL, thereby making wrongful gains of ₹40,84,556.

200. Accordingly, the total wrongful gains liable to be disgorged from Noticee No. 3, 10, 11, 12, 13 and 14 is as under:

Table-38

Name	Wrongful Gains (₹)
Noticee No. 10	2,92,96,300
Noticee No. 11	2,09,88,900
Noticee No. 12*	12,46,771
Noticee No. 14	59,70,800
Noticee No. 13	6,94,199
Noticee No. 3	40,84,556
Total	6,22,81,526

*Mule account of Noticee No. 10



201. Noticee No. 10 has contended that if the alleged dumping of shares occurs between connected entities, it does not lead to creation of profits but merely has the effect of shifting funds from one account to another in a connected group. No one is unjustly enriched if a connected group trades within itself. Therefore, the sale of shares to connected entities cannot be counted when computing the amount of allegedly illegal profits.
202. This contention has no merit as there were also other participants in the market and not just the connected Noticees. Further, the beneficiary of the unlawful gain is Noticee No. 10 and the disgorgement of unlawful gain is sought from him. It is noted that in the matter of *Karvy Stock Broking Ltd. v. SEBI* (Appeal No. 6 of 2007, Order dated May 2, 2008), SAT *inter alia* held that “Only such wrongdoers who have made gains as a result of their illegal act(s) could be asked to do so. Since the chief purpose of ordering disgorgement is to make sure that the wrongdoers do not profit from their wrongdoing, it would follow that the disgorgement amount should not exceed the total profits realized as the result of the unlawful activity. In a disgorgement action, the burden of showing that the amount sought to be disgorged reasonably approximates the amount of unjust enrichment is on the Board”.
203. As held by Hon’ble SAT in *National Stock Exchange of India Ltd. & Ors vs SEBI* (Appeal No. 333 of 2019, Order dated January 23, 2023), that disgorgement is not a penal remedy, but an equitable one — aimed only at depriving a wrongdoer of ill-gotten gains. Further, Hon’ble SAT, in the matter of *Kiran Madhusadhan Seth v. SEBI* (Appeal No. 446 of 2020, Order dated September 20, 2021), *inter alia* held that- “The concept of disgorgement under the SEBI laws is based on the principle that a person in possession of wrongful gains by which he is enriched may be asked to part with the amount equivalent to such gains along with interest”. Accordingly, Noticee No. 3, 10, 11, 12, 13 and 14 are liable to disgorge the unlawful gains made by them along with interest as equitable remedy. I, therefore, in exercise of the powers under Section 11B (1) read with Section 11 and 19 of the SEBI Act hereby direct Noticee No. 3, 10, 11, 12, 13 and 14 to disgorge the ill-gotten profits earned by them of the total amount as provided in the table at para 200 of this order. As regards the wrongful gains earned under the trading account of Noticee No. 12, the same shall be attributed to Noticee No. 10.



VI. Peroration.

204. The case in hand is a classic case of misuse of system by unscrupulous operators using scheme involving pre- IPO investment, using machination to provide impetus to subscription to IPO by inducing subscribers by camouflaging as a ruse for proactive tactical deception. Then, post listing of IPO, the connecting entities sold shares of the company to gullible investors and making unlawful gains.

205. It is now very well settled that the SEBI Act and the PFUTP Regulations are intended to pre-empt manipulative trading and check all kinds of impermissible conduct resorted to by parties, so that the innocent investor is not misled. The primary purpose of such statutory provisions is to provide an environment conducive to increased participation and investment in the securities market, which is vital to the growth and development of the economy. The protection of investors necessarily includes prevention of misuse of the market. Thus, the object is also to prevent exploitation of the public through misrepresentation and to ensure that adequate and true information before the investor is placed. Any practice which does not conform to the fair and transparent principles of trades in the stock market would be captured under the rubric of unfair trade practices in the securities market. Therefore, while applying and enforcing the Regulations which intend to prevent and prohibit fraudulent acts, I must weigh against an interpretation which will protect unjust claims over just, fraud over legality and expediency over principle.

206. Applying these principles to the facts of this case, it is pertinent to mention that there is no scale to measure fraudulent, deceptive and manipulative device, plan and artifice or its impact and the findings in that regard always depend on inferences drawn from a mass of factual details. Findings in this regard can also be gleaned from patterns of transactions/dealings, conduct and behaviour of connected parties viz; issuance of shares without consideration, inducing subscribers to invest in SME IPO of VJL, apparent transfers of funds, and other machinations, employed to achieve the designed purpose. I find that the entire gamut of events commencing from the typical gambit of allotment of shares by VJL to Noticee No.3 in the guise of purported transfer from its promoter and MD i.e. Noticee No.2 then issuing bonus shares and stock split to create liquidity in scrip, engaging a select coterie in the scheme alongwith the merchant banker, running through the maze of fund transfers, calls and connections , unrealistic increase of liquidity in shares of VJL, and then manipulative dealing in shares of VJL is a classic example of touch-me-not distancing through intermediations and culminating in the final denouement



wherein connected parties with all their manipulative assemblage came to the fore setting a seal on their machinations of fraudulent, manipulative and deceptive dealings to the detriment of unsuspecting investors.

207. The whole picture on the canvass suggests tell- tale strands of how each one of the connected entities at various sequences in the chain has catalysed the acts, in a web of make believe transfers meant to mislead and obfuscate, to the final confluence in the market amidst increasing volume and price rise entrapping the unsuspecting and gullible investors. Their acts, conduct, behaviour and dealings connote a deceptive conduct designed to deceive or defraud investors. By impeding in the natural interplay of market forces, they misled the investors by masking the fair price of the shares of VJL. When all the facts and circumstances of this case are considered holistically they emerge as ingredients in a fraudulent, deceptive and manipulative device, plan and artifice designed to tamper with free market forces and to damage the integrity of the securities markets.

208. SEBI strives to safeguard and protect the interests of a genuine investors in the indian securities market. By the acts, of the Noticees No.1-11, to mislead investors to subscribe in IPO, the fundamental tenets of market integrity got violated with impunity. Under the facts and circumstances of this case, I find that the acts of these Noticees is inimical to the interests of participants in the securities market. Allowing the entities that are found to be involved in such fraudulent, unfair and manipulative transactions to continue to operate in the market would shake the confidence of the investors in the securities market. Further, the fraudulent, manipulative and deceptive device, plan and artifice employed by connected parties in this case, not only endanger the interests of investors in securities but also the integrity of securities market as a whole.

209. Considering the facts and circumstances of this case and the indulgence of a listed company in such fraudulent, manipulative and deceptive plan, device and artifice as prima facie found in this case, I am convinced that this is a fit case where effective and deterrent action is required to be taken against individuals who used their fertile brain to devise such a scheme which not only endangers the safety and integrity of the securities market, in this case, but also brings bad name to the SME sector as a whole.

210. Justice Holmes' prophecy, more than hundred years ago, that '*for the rational study of the law the black-letter man may be the man of the present, but the man of the future is the man of*



*statistics and the master of economics*¹⁴, is going to be tested through the provisions of SEBI Act and Regulations which predate the advent of initiatives in this sector. Since, national policy is to foster growth of this sector, the decisions must be based on sound economic principles in tune with market realities and not on the dry bones of the black letter law alone.

211. It is important to mention here that the MSMED Act, 2006 was an outcome of the policy statement of Government of India on MSMEs. It was felt that, inadequate working capital in this sector causes serious and economic problems affecting the health of the undertaking. As Economic Survey 2025-26 tabled in Parliament shows that the MSMEs form the backbone of India's industrial economy. It accounts for approximately 35.4 per cent of manufacturing, around 48.58 per cent of exports, and 31.1 per cent of GDP in the country. With over 7.47 crore enterprises employing over 32.82 crore persons, the sector holds its position as the second-largest employer after agriculture. Globally, MSMEs make up about 90 per cent of businesses and are responsible for over 50 per cent of the total global employment. With India's manufacturing sector positioned for greater global integration, MSME sector's role is critical in enabling effective supply-chain participation, fostering local value addition, and supporting inclusive regional growth. Any mischief in this sector may create ripple effects of economy if capital flow is hindered by diminishing confidence due to such misdemeanours.

212. It is also a case involving the promoter and MD of the company brazenly undermining the regulatory principles governing the securities market and basic economics. He must know that such approach and practice would be like cutting the branch on which he is perched because the company has entered the securities market and has several stakeholders now to respond. Any adverse information regarding the conduct of the promoter and the company would dent the confidence of investors. The promoters, being a prominent component of securities market, must evaluate that merely listing of shares on stock exchange may not necessarily bring much needed capital flow in the company or improve its reputation unless they adopt a responsible behaviour and demonstrate potential growth with necessary compliances.

213. Coming the conduct of Noticee No. 6, the merchant banker, and its other officers i.e. Noticee No. 7 and 8, it is very important to delineate the principle of disclosure based regime and importance of professionalism from a merchant banker. In this regime expertise of merchant

¹⁴ Holmes O. (1897), "The Path of the Law", *Harvard Law Review*, Vol. 10, no. 8, pp. 457-478.



bankers have been given primary importance. SEBI relies upon due diligence by the merchant banker and certificate given by him in this regard. This framework entails collective decision making by issuer and merchant banker and operates in the shadow of the legal framework of SEBI Act and Regulations and the anecdotal evidence suggests that SEBI has forced responsible behaviour on the part of the listed and proposed to be listed corporates and intermediaries by increasingly and gradually prescribing norms based on principles of transparency, due diligence and good governance. By fastening personal liability on intermediaries and directors for wrongful transactions and by suspending or even cancelling the registration certificate of the merchant banker and/or disqualifying defaulting promoters from participating in the securities markets, SEBI has also contributed to embracing of higher standards of expertise, transparency and corporate governance. In this backdrop, the obligation of due diligence on a merchant banker is much higher, particularly in SME IPOs, where processing and supervision of draft prospectus and related activities has been delegated to the stock exchanges. For a merchant banker handling an SME IPO, professionalism dictates strict adherence to the SEBI Regulations. This professionalism requires recommending an issue price based on justified quantitative methodologies (e.g., P/E multiples, cash flows), rather than artificially inflating value to suit promoters. At its core, the merchant banker must act as a gatekeeper of public trust, prioritizing investor interests, transparent disclosures, and strict regulatory compliance above issuer's pressure and refrain from being part of or devising a deceptive or fraudulent scheme. In this case, Noticees 6, 7 and 8 have acted in brazen defiance of law and principles of due diligence and care. Considering the nature of obligations, expectation of responsible behavior and conduct of a SEBI registered merchant banker, the act of Noticee No. 6 is strongly culpable in this case.

214. This is certainly not a case of ignorance and unawareness of requirements of law or a genuine mistake rather it is a case of wilful negligence with culpability of indulging in fraudulent acts. The purpose of the Regulations is to make the securities market a safe place rather than posing it to risk of reckless intermediation. Thus, the merchant bankers bringing an SME in the securities market have higher duty towards public and SEBI. Considering such role and responsibility, the legitimate expectation from them would be that they work with greater precision, perspicuity, diligence and professionalism in vulnerable sectors like MSME. In this case, Noticees No. 6 acting in collusion with its officers viz; Noticees No. 7 and 8 and other Noticees was least bothered to comply with requirements of Regulations rather they indulged in



brazen fraud and Noticee No.7 even attempted to mislead the investigation by his false and evasive statements which are bereft of any credibility.

215. In my view, this is a classic case where behaviour of such persons is contumacious coupled with deliberate design to abuse the securities market and harm the investors, it would be justified to keep such characters out from the market rather than running the risk of allowing the market to be polluted and investors to be harmed by such reckless, careless, negligent merchant bankers repeatedly acting with supine indifference. Noticee No. 6 must note *omina causa fiunt* (everything happens for a reason) which none other than it can know better. The non-compliances, defaults with *mala fide* design as found in this case, are possibly goes to the root of eligibility to act as a registered merchant banker. However, I leave this aspect for further examination by SEBI.

VII. Conclusion.

216. In the backdrop of above factual scenario and peculiar facts and circumstances of this case, it has become imperative upon SEBI in this case to pass restraint and debarment order and also impose monetary penalties to such individual Noticees who have been brain behind the whole scheme, the merchant banker who has brazenly failed in its statutory mandate and has shown unscrupulous conduct by engaging in the fraudulent scheme designed by Noticee No. 2, 3, 4,5, 7, 8, 10 and 11. If such acts are not met with deterrent consequences, the whole exercise of power with purpose will become redundant.

217. Noticee No.1 has been allowed to be SME. Its IPO has been allowed, its pre- IPO shares including those allotted to Noticee No. 3 without consideration have been listed and traded. Further, while the SCN finds fault with GMP, it does not contemplate or even suggest that the issue and listing of shares in this case is illegal as some of the pre- IPO shares were allotted without consideration and were fraudulently disclosed in the prospectus. The bonus shares allotted to Noticee No. 3 based on its purported holding was an unduly benefit, thereby making it the largest public shareholder with 19.84% pre-listing holding in VJL, and a beneficiary out of its holding of shares of VJL pursuant to its listing. Even, no interim measures were taken to restrict trading in those pre-IPO shares held by Noticee No. 3. In fact, IR and SCN recognise while considering unlawful gains by Noticee No. 3 that consideration for sale of 3,75,000 shares was paid to Noticee No.2 by Noticee No.3, though belatedly. However, since Noticee No.3 is



still holding a part of such shares, it cannot be allowed to contaminate the market for the benefit of Noticee No. 3.

218. As against Noticee No. 1 and 3, SCN has contemplated directions under section 11(4) and 11B(1) read with section 11(1) including disgorgment of wrongful gains by Noticee No. 3 but has not contemplated any adjudication and moneatry penalty. In any case inflicting penalty upon Noticee No. 1 may not be commensurate as it will have to shell out the penalty amount from its capital or free reserves. However, it must meet the restraint and debarment from raising further capital from public and from buying seeing or dealing in securities in any manner whatsoever for a specific period. In my view, innocent investors will not be burdened by such order.

219. As for other Noticees i.e Noticee No. 2, 4 to 17, within the scope of the provisions invoked for action against these Noticees, I am of the view that this case is fit for taking action and imposing penalty both under Section 11(4), 11(4A), 11B (1) and 11B(2) of the SEBI Act.

220. Noticees No. 16 being a market maker for providing continuous liquidity to the scrip owe important responsibility of due care and diligence and mustn't indulge in fraudulent activities of unlawful volume creation and market manipulation as found in this case. By providing two-sided quotes, market makers supply essential liquidity and ensure investors can buy or sell immediately without waiting for a matching counterparty. Thus, they owe a duty of trust to the market and investors. If they law takes the fraudulent trading by them leniently, it will defeat the very purpose of market system. Noticee No. 17 a group entity of Noticee No.16 and it indulged in fraudulent trading as found hereinabove. Therefore, Noticees 16 and 17 must meet the consequences of their act and conduct.

221. It is relevant to consider that Noticee No. 6, 16 and 17 have been a repeated offender. Vide order dated October 3, 2025 under section 12(3) read with section 19 of the SEBI Act and regulation 27 of the SEBI (Intermediaries) Regulations, 2008 the registration certificate of the Noticee No. 6 has been suspended for a period of 2 (two) months for non-compliance with net worth requirements. Further, in a separate Order dated October 23, 2025 for violations of the provisions under the Merchant Bankers Regulation and various circular made thereunder, apart from monetary penalty of Rs. 20 lakh imposed upon it, restrain and debarment directions have been issued against Noticee No. 6, *inter alia*, debarring/restraining it from accessing the securities market, buying, selling or dealing in securities, being associated with securities



market, taking any new mandate, in relation to the business of issue management, etc. for a period of two years from the date of the said order. Such debarment still continues.

222. Noticees No. 16 and 17 have been involved in price and volume manipulation of another SME scrip. Vide order dated May 30, 2024¹⁵ a penalty of Rs.10 lakh each was imposed upon them apart from debarring them from securities markets for a period of 3 years in terms of the said order and the debarment continues. Directions for disgorgement of wrongful gains Rs. 7,49,56,333/- was also imposed upon them jointly and severally with 5 other Noticees along with simple interest @12%. Further, vide order dated February 22, 2024 pursuant to a joint inspection by SEBI, the Exchanges and CDSL, Noticee No. 16 was again penalized by imposing Rs. 20 lakh monetary penalty.

223. Considering the above factors cumulatively and holistically and taking into account the principles of proportionality, I am of the view that this is case where penalties must be to achieve the purpose behind them i.e. “*effective deterrence.*”

VIII. Orders and Directions.

224. Considering the above 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) read with Section 19 of the SEBI Act, do hereby issue the following directions:

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

Table-39

Noticee No.	Noticee Name	PAN	Restraint period
1.	M/s Veerkrupa Jewellers Limited	AAHCV0966G	5 years
2.	Mr. Chirag Arvind Shah	BFPPS0557F	5 years
3.	M/s Vivid Mercantile Limited	AAACV7171J	5 years
4.	Mr. Satishkumar Ramanlal Gajjar	AEYPG6786M	5 years

¹⁵ Order in the matter of Bhatia Communications and Retail (India) Ltd.



5.	Mr. Rakshit Mahendra Shah	AKIPS9122R	5 years
6.	M/s First Overseas Capital Limited	AAACL4737A	5 years
7.	Mr. Rushabh Shroff	ATZPS8741C	5 years
8.	Mr. Satish Vadilal Sheth	AAQPS3939Q	5 years
9.	M/s Stockk Seva Marketing Private Limited	ABGCS6152D	5 years
10.	Mr. Meghkumar Mahendrakumar Shah	DYLPS2534H	5 years
11.	Mr. Bhavya Dhiman	GKPPD9799L	5 years
12.	Mr. Dipak Mathurbhai Salvi	DCXPS3464J	3 years
13.	M/s Bhavesh A Vora HUF	AAJHB3481P	3 years
14.	Mr. Dharmesh Maldevbhai Godhania	ADLPG2502M	3 years
15.	Mr. Akshay Rajendrabhai Oswal	ABJPO0630N	3 years
16.	M/s NNM Securities Private Limited	AAACN8070G	3 years
17.	M/s Miker Financial Consultants Private Limited	AAECM1798G	3 years

- b. In case the aforementioned 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.
- c. Noticee No. 3, 10, 11, 12, 13 and 14 are directed to disgorge the total unlawful gains as provided in the table at para 200 of this Order along with simple interest @12% per annum from May 31, 2024 (i.e. the last date of the investigation period) till the date of payment. Noticee No. 3, 10, 11, 12, 13 and 14 shall pay the aforesaid amount to the Investor Protection and Education Fund (IPEF) referred to in section 11(5) of the SEBI Act within 45 days from the date of this order. The wrongful gains earned under the trading account of Noticee No. 12 shall be attributed to Noticee No. 10.



- d. The Noticees are prohibited from selling their assets, properties including mutual funds/ shares/ securities held by them in demat and physical form except for the purpose of payment of penalty as directed above. Further, the banks are directed to allow debit from the bank accounts of the Noticees, only for the purpose of effecting disgorgement or payment of penalty, in terms of this order.

225. In light of the facts and circumstances of this case, as discussed above, the factors listed in Section 15J of the SEBI Act and in exercise of powers conferred upon me under Sections 11(4A), 11B (2) and Section 15I of the SEBI Act read with Rule 5 of the Adjudication Rules, I hereby impose the following monetary penalty for the violations of the provisions of as alleged against the Noticees:

Table-40

Noticee No.	Noticee Name	Provision violated	Amount in (Rs.)
2.	Mr. Chirag Arvind Shah	Sections 12A(a), 12A(b), and 12A(c) of SEBI Act and Regulations 3(a), 3(b), 3(c), 3(d), 4(1), 4(2)(f), 4(2)(k) and 4(2)(r) read with Regulation 2(1)(c) of the PFUTP Regulations.	Rs. 20 lakh under section 15 HA of the SEBI Act.
4.	Mr. Satishkumar Ramanlal Gajjar		Rs. 10 lakh under section 15 HA of the SEBI Act.
5.	Mr. Rakshit Mahendra Shah		Rs. 10 lakh under section 15 HA of the SEBI Act.
6.	M/s First Overseas Capital Limited	Sections 12A(a), 12A(b), and 12A(c) of SEBI Act and Regulations 3(a), 3(b), 3(c), 3(d), 4(1), 4(2)(f), 4(2)(k) and 4(2)(r) read with Regulation 2(1)(c) of the PFUTP Regulations.	Rs. 20 lakh under section 15 HA of the SEBI Act.
		Clause 1(a) of Schedule IX read with Regulation 263 of ICDR Regulations and Clause 4 and 6 of Schedule III read with Regulation 13 of Merchant Bankers Regulations.	Rs. 10 lakh under section 15 HB of the SEBI Act.
7.	Mr. Rushabh Shroff	Sections 12A(a), 12A(b), and 12A(c) of SEBI Act and Regulations 3(a), 3(b), 3(c), 3(d), 4(1), 4(2)(f), 4(2)(k) and 4(2)(r) read with Regulation 2(1)(c) of the PFUTP Regulations.	Rs. 20 lakh under section 15 HA of the SEBI Act.
8.	Mr. Satish Vadilal Sheth		Rs. 20 lakh under section 15 HA of the SEBI Act.



9.	M/s Stockk Seva Marketing Private Limited		Rs. 20 lakh under section 15 HA of the SEBI Act.
10.	Mr. Meghkumar Mahendrakumar Shah	Sections 12A(a), 12A(b), and 12A(c) of SEBI Act and Regulations 3(a), 3(b), 3(c), 3(d), 4(1), 4(2)(f), 4(2)(k) and 4(2)(r) read with Regulation 2(1)(c) of the PFUTP Regulations.	Rs. 50 lakh under section 15 HA of the SEBI Act.
		Sections 12A(a), 12A(b), and 12A(c) of SEBI Act and Regulations 3(a), 3(b), 3(c), 3(d), 4(1), 4(2)(a) and 4(2)(e) read with Regulation 2(1)(c) of PFUTP Regulations.	Rs. 30 lakh under section 15 HA of the SEBI Act.
		Regulation 8(1)(a) of PFUTP Regulations read with Section 11C(3) of SEBI Act.	Rs. 20 lakh under section 15 A(a) of the SEBI Act.
11.	Mr. Bhavya Dhiman	Sections 12A(a), 12A(b), and 12A(c) of SEBI Act and Regulations 3(a), 3(b), 3(c), 3(d), 4(1), 4(2)(f), 4(2)(k) and 4(2)(r) read with Regulation 2(1)(c) of the PFUTP Regulations.	Rs. 10 lakh under section 15 HA of the SEBI Act.
		Sections 12A(a), 12A(b), and 12A(c) of SEBI Act and Regulations 3(a), 3(b), 3(c), 3(d), 4(1), 4(2)(a) and 4(2)(e) read with Regulation 2(1)(c) of PFUTP Regulations.	Rs. 10 lakh under section 15 HA of the SEBI Act.
		Regulation 8(1)(b) of PFUTP Regulations read with Section 11C(3) of SEBI Act.	Rs. 10 lakh under section 15 A(a) of the SEBI Act.
12.	Mr. Dipak Mathurbhai Salvi	Sections 12A(a), 12A(b), and 12A(c) of SEBI Act and Regulations 3(a), 3(b), 3(c), 3(d), 4(1), 4(2)(a) and 4(2)(e) read with Regulation 2(1)(c) of PFUTP Regulations.	Rs. 10 lakh under section 15 HA of the SEBI Act.
13.	M/s Bhavesh A Vora HUF		Rs. 10 lakh under section 15 HA of the SEBI Act.
14.	Mr. Dharmesh Maldevbhai Godhania	Sections 12A(a), 12A(b), and 12A(c) of SEBI Act, 1992, and Regulations 3(a), 3(b), 3(c), 3(d), 4(1), and 4(2)(a) read with Regulation 2(1)(c) of PFUTP Regulations.	Rs. 10 lakh under section 15 HA of the SEBI Act.



15.	Mr. Akshay Rajendrabhai Oswal	Sections 12A(a), 12A(b), and 12A(c) of SEBI Act and Regulations 3(a), 3(b), 3(c), 3(d), 4(1), 4(2)(a) and 4(2)(e) read with Regulation 2(1)(c) of PFUTP Regulations.	Rs. 10 lakh under section 15 HA of the SEBI Act.
16.	M/s NNM Securities Private Limited	Sections 12A(a), 12A(b), and 12A(c) of SEBI Act, 1992, and Regulations 3(a), 3(b), 3(c), 3(d), 4(1), and 4(2)(a) read with Regulation 2(1)(c) of PFUTP Regulations.	Rs. 20 lakh under section 15 HA of the SEBI Act.
17.	M/s Miker Financial Consultants Private Limited		Rs. 10 lakh under section 15 HA of the SEBI Act.

226. In the event of failure to pay the disgorgement amount and said amount of penalty within 45 days of the receipt of this Order, recovery proceedings may be initiated under section 28A of the SEBI Act for realization of the said amount of penalty along with interest thereon, *inter alia*, by attachment and sale of movable and immovable properties of Noticees.

227. Noticees shall remit/ pay the amounts of penalties mentioned against their names in the table above, within 45 days of receipt of this Order through online payment facility available on the website of SEBI i.e. www.sebi.gov.in on the following path, by clicking on the payment link www.sebi.gov.in/ENFORCEMENT -> Orders -> Orders of EDs/CGMs -> PAY NOW. In case of any difficulty in online payment of penalty, the Noticee (s) may contact the support of portalhelp@sebi.gov.in.

228. Noticees shall forward the details of online payment made in compliance with the directions contained in this Order to the “*The Division Chief, IVD-ID-13, Securities and Exchange Board of India, SEBI Bhavan – II, Plot No. C-7, “G” Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400051*” and also to email id: tad@sebi.gov.in, in the following format:

Table-41

Case Name	
Name of Payee	
Date of Payment	
Amount Paid	
Transaction No.	



Payment is made for: Penalty or Disgorgement	
---	--

229. This Order shall come into force with immediate effect. It is hereby clarified that the aforementioned restraint on Noticee No. 6, 16 and 17 shall run after the restraint imposed on them in the SEBI Order dated October 23, 2025 and May 30, 2024, respectively, i.e. the period of restraint imposed vide this Order shall commence after the expiration of the period of restraint imposed vide the Orders passed in respect of Noticee No. 6, 16 and 17.

230. Show Cause Notice dated April 25, 2025, is disposed in terms of the above directions/penalties.

231. This order shall be served on all the Noticees herein, SEBI, recognized Stock Exchanges, Banks, Depositories and Registrar and Share Transfer Agents to ensure necessary compliance.

Date: May 29, 2026

Place: Mumbai

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