

Department: Investigation	Segment: All
Circular No: MSE/ID/13386/2023	Date : April 27, 2023

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

To All Members,

This is with reference to Exchange circular no. MSE/ID/11373/2022 dated January 13, 2022 regarding SEBI Order no. WTM/SKM/54/201-22 dated January 12, 2022, in the matter of Stock Recommendations using Social Media Channel (Telegram).

SEBI now vide Order no. WTM/AN/ISD/ISD-SEC-3/25879/2023-24 dated April 26, 2023 has issued the following directions for the below mentioned noticees:

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

- Noticee nos. 1, 2 and 3 are hereby restrained from accessing the securities market and are further prohibited from buying, selling or otherwise dealing in the securities market, directly or indirectly in any manner whatsoever, from the date of SEBI Order, till expiry of 3 years from the date of payment of disgorgement amount as mentioned at paragraph 66.4 of SEBI order;
- Noticee nos. 4, 5 and 6 are hereby restrained from accessing the securities market and are further prohibited from buying, selling or otherwise dealing in the securities market, directly or indirectly in any manner whatsoever, from the date of SEBI Order, till expiry of 1 year from the date of payment of disgorgement amount as mentioned at paragraph 66.4 of SEBI order;
- It is clarified that during the period of restraint, the existing holding of securities, including units of mutual funds shall remain under freeze in respect of the aforesaid debarred Noticees;
- All the Noticees shall, jointly and severally, disgorge the total unlawful gains mentioned at Table no. 11 of SEBI order along with simple interest @12% per annum from November 12, 2021 (i.e. the date on which the last fraudulent trade was executed during the Investigation period) till the date of payment/ date of deposit in the escrow account. The Noticees have deposited INR 98,84,427.86 in an escrow account and therefore the Noticees shall, jointly and severally, disgorge the remaining unlawful gains i.e., INR 1,85,45,520.14 along with simple interest @12% per annum from November 12, 2021 (i.e. the date on which the last fraudulent trade was executed during the Investigation

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period) till the date of payment. Further, the Noticees shall disgorge the interest on the unlawful gains already deposited i.e., INR 98,84,427.86 calculated with simple interest @12% per annum from November 12, 2021 (i.e. the date on which the last fraudulent trade was executed during the Investigation period) till the date of deposit in the escrow account;

- e) The Noticees shall pay the aforesaid amount to the Investor Protection and Education Fund (IPEF) as referred to in Section 11(5) of the SEBI Act within a period of 45 (forty-five) days, from the date of receipt of SEBI order;
- f) The particulars of SEBI account for making e-payment are mentioned in SEBI order.
- g) Further, the amount of unlawful gains, as mentioned at paragraph 5 above, deposited by them in the escrow account along with accrued interest is hereby directed to be transferred from the escrow account to IPEF.
- h) After taking into consideration the violations by the Noticees and the observations made at paragraph nos. 49 and 59 of SEBI order, a penalty of two times the total unlawful gains made by all the Noticees i.e., INR 5,68,59,896 (Rupees Five Crore Sixty-eight lakh fifty-nine thousand eight hundred and ninety-six only) is hereby imposed on Noticee nos.1, 2 & 3 to be paid jointly and severally and a penalty of INR 5,00,000 (Rupees Five lakh only) each is hereby imposed on Noticee nos. 4, 5 and 6, under Section 15HA of the SEBI Act;
- i) Noticees are directed to pay their respective penalties within a period of 45 (forty-five) days, from the date of receipt of SEBI 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: ENFORCEMENT -> Orders - > Orders of Chairman/ Members -> PAY NOW. In case of any difficulties in online payment of penalties, the said Noticees may contact the support at portalhelp@sebi.gov.in;
- j) The details/ confirmation of e-payment should be sent to "The Division Chief, Integrated Surveillance Department, SEC-3, Securities and Exchange Board of India, SEBI Bhavan, Plot no. C 4A, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051" and also to e-mail id: - tad@sebi.gov.in in the format as given in SEBI order;
- k) The Banks where Noticees are holding bank accounts, individually or jointly, are directed that no debit shall be made, except for e-payment in favour of "Securities and Exchange Board of India" as mentioned above, till further instructions from SEBI. However, credits, if any, into the accounts of the Noticees may be allowed;
- l) The Depositories are directed to ensure that no debits or credits are made in the demat accounts of the Noticees, held individually or jointly, without the permission of SEBI;
- m) The Noticees are also directed not to dispose of or alienate any of their assets/properties/ securities, till such time the direction of this order is complied with.

This Order shall come into force with immediate effect.

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

**For and on behalf of
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**Vipul Vaishnav
Assistant Vice President**