BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
[ADJUDICATION ORDER NO. Order/JS/YK/2026-27/32823-32832]

UNDER SECTION 15-I OF SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH RULE 5 OF SECURITIES AND EXCHANGE BOARD OF INDIA (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES) RULES, 1995

In respect of:

Noticee No.	Noticee Name	PAN
1	Woodstock Broking Pvt. Ltd.	AAACW0735F
2	Mr. Suresh Kanmal Jajoo	AAFPJ0070J
3	Ms. Vimla Suresh Jajoo	ADAPJ8747J
4	Mr. Jugal Kishore Bajaj	ADWPB6467D
5	Mr. Jagdish Shantilal Maheshwari	AEQPM4953A
6	Mr. Dilip Pandurang Malap	AGKPM9901A
7	Marfatia Stock Broking Pvt. Ltd.	AADCM6730B
8	Mr. Nishil Surendra Marfatia	ADWPM9452H
9	Ms. Shreya Nishil Marfatia	ACLPM8572A
10	Late Surendra Mangaldas Marfatia through his son - Mr. Nishil Surendra Marfatia	ACBPM9879Q

*(The Noticees are individually referred to by their respective Noticee No. as mentioned above and collectively referred to as **"Noticees")***

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

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BACKGROUND

1. Securities and Exchange Board of India (hereinafter referred to as "**SEBI**") conducted an investigation in respect of trades executed by certain entities, which appeared to be in the nature of front-running of the trades of Axis Mutual Fund (hereinafter referred to as the "**Big Client**"), pursuant to certain alerts generated by the surveillance system. The investigation period in the instant matter was from April 01, 2021 to March 31, 2022.

2. Pursuant to investigation, it was, *inter alia*, alleged that Woodstock Broking Pvt. Ltd. (Noticee 1) and its directors (Noticees 2 to 6) and Marfatia Stock Broking Pvt. Ltd. (Noticee 7) and its directors (Noticees 8 to 10), had facilitated execution of alleged front-running trades by enabling access to trading terminals and providing support for operation of such terminals from outside India. Based on the findings of investigation, it was alleged that the said entities (Noticees 1 and 7) had violated the provisions of sections 12A(a), 12A(b) and 12A(c) of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as "**SEBI Act**") and regulations 3(a), 3(b), 3(c), 3(d) and 4(1) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (hereinafter referred to as "**PFUTP Regulations**"). It was further alleged that the directors of said entities, i.e., Noticees 2 to 6 and 8 to 10 had violated the provisions of sections 12A(a), 12A(b) and 12A(c) of the SEBI Act and regulations 3(a), 3(b), 3(c), 3(d) and 4(1) of the PFUTP Regulations read with section 27 of the SEBI Act.

APPOINTMENT OF ADJUDICATING OFFICER

3. Pursuant to the superannuation of the earlier Adjudicating Officer (hereinafter referred to as "**AO**"), the undersigned was appointed as AO in this matter vide communiqué dated April 08, 2025 under section 15-I of the SEBI Act read with rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as "**Rules**"), to inquire into and adjudge under the provisions of section 15HA of the SEBI Act for the aforementioned violations alleged to have been committed by the Noticees.

SHOW CAUSE NOTICE, REPLY AND HEARING

4. Show Cause Notice Ref. No. SEBI/HO/EAD2/NH/KL/2023/44035 dated October 31, 2023 (hereinafter referred to as "**SCN**") was issued to Noticees in terms of rule 4 of the Rules read with section 15-I of the SEBI Act to show cause as to why an inquiry should not be held against Noticees and why penalty, if any, should not be imposed on them in

terms of the provisions of section 15HA of SEBI Act for the aforementioned violations alleged to have been committed by them.

5. The SCN dated June 18, 2025, *inter alia*, alleged the following:

(a.) The findings of the investigation report stated that the chief dealer of Axis Mutual Fund and the alleged information provider during the investigation period was Mr. Viresh Joshi. It was further stated that certain trading accounts were allegedly used for front running activity by suspected entities, which were mentioned as Front Runner No.1 to Front Runner No. 9. The entities and their designation/connection particulars were as under:

Table 1

Axis Mutual Fund - Big Client	
Name	***Designation/Connection particulars***
Viresh Joshi	*Chief Dealer of Axis Mutual Fund and Information Provider*
Sumit Desai	*Arranger*
Pranav Vora	*Arranger*
Prijesh Kurani	***Order/ Trade Executor based out of Dubai***
Vaibhav Pandya	*Arranger*
Noticee No. 7	***Terminal Provider***
Noticee No. 1	***Terminal Provider***

(b.) The alleged front runners and alleged basis of connection were as under:

Table 2

Sl. no.	***Front Runner No.***	***Name***	***Alleged Basis of Connection***
1.	*FR 1*	*Nishil Surendra Marfatia (ADWPM9452H)*	*i) Director of Marfatia Stock Broking Pvt. Ltd.* *ii) FR trades executed in his trading account held with Marfatia Stock Broking Pvt. Ltd.*
2.	*FR 2*	*OLGA Trading Pvt. Ltd. (AACCO8900C)*	*i) FR trades executed in his trading account held with Marfatia Stock Broking Pvt. Ltd.*
3.	*FR 3*	*Bhavin A Shah (AAKPS2177G)*	*i) FR 3 is husband of FR 4* *ii) FR trades executed in their trading accounts held with Marfatia Stock Broking Pvt. Ltd.*
4.	*FR 4*	*Rupal Bhavin Shah (AUWPS1058E)*	
5.	*FR 5*	*VISA Capital Partners (AAGFV6839A)*	*i) Suresh Kanmal Jajoo (Director of Woodstock Broking Pvt. Ltd.) is a partner in the firm* *ii) FR trades executed in his trading account held with Woodstock Broking Pvt. Ltd.*
6.	*FR 6*	*Dharini Kurani (DAEPK6510G)*	*i) FR 6 is wife of Mr. Prijesh Kurani* *ii) FR 7 is mother of Mr. Prijesh Kurani* *iii) FR 8 is mother of FR 6 and mother-in-law of Mr. Prijesh Kurani*
7.	*FR 7*	*Rekha Arun Kurani (AQCPK5061H)*	

Sl. no.	Front Runner No.	Name	Alleged Basis of Connection
8.	FR 8	Bharati Navnit Godaya (AAIPG6387Q)	iv) FR 9 is a SEBI registered FPI with Bindesh Kurani, brother of Mr. Prijesh Kurani as the director and the authorised signatory
9.	FR 9	M K B Bespoke Audio General – FPI (AANCM1557E)	

(c.)During the course of investigation, SEBI had carried out search and seizure operations on May 12, 2022, at the premises of one of the suspected entities, viz., Ms. Dharini Kurani (FR 6). The mobile devices of FR 6 and her husband Mr. Prijesh Kurani were backed up and seized. The WhatsApp chat data of Mr. Prijesh Kurani was analyzed and it was alleged that the said data includes the following communication between Mr. Prijesh Kurani and other suspected entities:

(i.) Chats with one Kunal Dalal (IT officer of Noticee no. 1) regarding installation of trading terminal software (ODIN) in the system of Mr. Prijesh Kurani in Dubai by using Any Desk (remote access software);

(ii.) Chats with one Yunus Modan (IT officer of Noticee no. 7) regarding installation of trading terminal software (ODIN) in the system of Mr. Prijesh Kurani in Dubai by using Any Desk (remote access software);

(iii.) Chats with respect to incorporation of a company named Vintage Capital Investment LLC in dubai belonging to family members of Mr. Viresh Joshi and alleged routing of funds;

(iv.) Screenshots of front running trades placed by Mr. Prijesh Kurani and shared by him with Mr. Sumit Desai and Mr. Vaibhav Pandya;

(v.) Exchange of a draft letter/ email written on behalf of FR 3 (Bhavin Shah) between Prijesh Kurani, Pranav Vora and Sumit Desai.

(d.)Based on the aforesaid analysis of WhatsApp data of Mr. Prijesh Kurani and on further investigation, it was alleged that the suspected entities/alleged front runners followed a modus operandi and executed a front running scheme.

(e.)It was alleged that the front runners as given above had been grouped as follows:

(i.) FRs 1 to 4 were grouped as Marfatia Group.

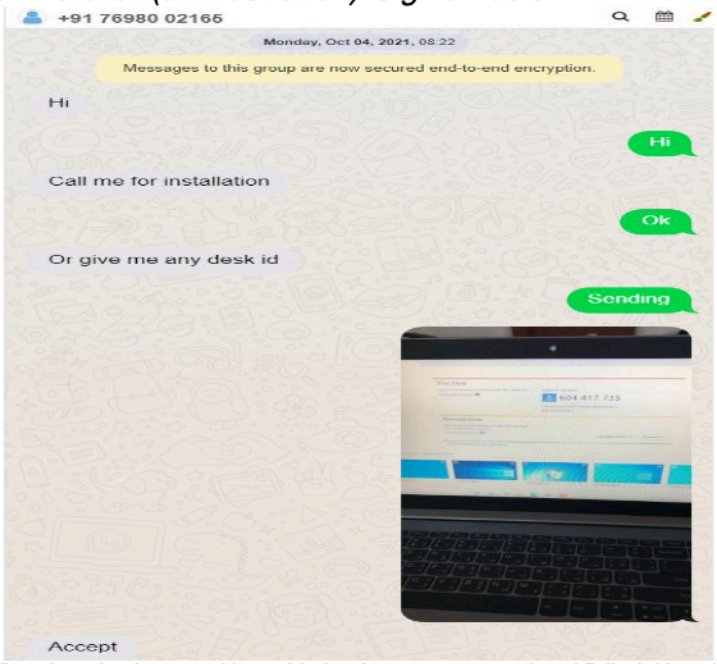
(ii.) FR 5 was named as Woodstock Group.

Marfatia Group

(f.)Marfatia Group consisted of FR 1 – (Nishil Marfatia/Noticee no.8 - Director of Marfatia Stock Broking Pvt. Ltd./ Noticee no. 7), FR 2 (Olga Trading Pvt Ltd.), FR 3 (Bhavin Shah) and FR 4 (Rupal Bhavin Shah).

(g.)FRs 1 to 4 had allegedly traded through Marfatia Stock Broking Pvt. Ltd. [Stock broker registered with SEBI (Reg. No. INZ000215330)].

(h.)It was alleged that Mr. Yunus Modan, IT officer of Marfatia Stock Broking Pvt. Ltd., had installed the trading terminal software (ODIN) in the systems of Mr. Prijesh Kurani in Dubai using AnyDesk (remote access software). Mr. Prijesh Kurani had communicated with Mr. Yunus Modan for help, whenever he faced technical issues regarding the software used for trading with Marfatia Stock Broking Pvt. Ltd. The screenshots of the chat (an illustration) is given below –



WhatsApp chat between Yunus Modan (+91 xxxxxxx2165) and Prijesh Kurani

(i.)It was alleged that Mr. Prijesh Kurani had executed trades for FRs 1 to 4 and the details of same were allegedly part of the WhatsApp conversations.

(j.)Further, vide statement dated May 16, 2022, FR 1 (Nishil Marfatia), director of Marfatia Stock Broking Pvt. Ltd. allegedly stated the following as mentioned in the investigation report –

(i.) He had shared the details/ credentials of his trading account with Pranav Vora;

(ii.) The IT employees of Marfatia Stock Broking Pvt. Ltd. had facilitated the installation of the trading terminal software (ODIN) on the PC/ Laptop of Prijesh Kurani in Dubai, using AnyDesk for punching the orders.

(k.)To summarize, the following allegations were made in the investigation report as regards Marfatia Group:

(i.)Mr. Sumit Desai had approached Mr. Pranav Vora to arrange trading accounts.

(ii.)Mr. Pranav Vora had arranged for the trading accounts of FR 1 (Nishil Marfatia), FR 2 (Olga Trading Pvt. Ltd.), FR 3 (Bhavin Shah) and FR 4 (Rupal Bhavin Shah).

(iii.)Mr. Pranav Vora had shared the credentials of trading accounts of the FR 1 to 4 with Mr. Prijesh Kurani to enable execution of front running trades.

(iv.)To facilitate the placement of trades in the aforesaid trading accounts by Mr. Prijesh Kurani, who was located in Dubai, Marfatia Stock Broking Pvt. Ltd. had facilitated installation of the trading terminal softwares (ODIN) on the PC/ Laptop of Mr. Prijesh Kurani.

(v.)The front-running trades were placed in the aforesaid trading accounts by Mr. Prijesh Kurani from Dubai.

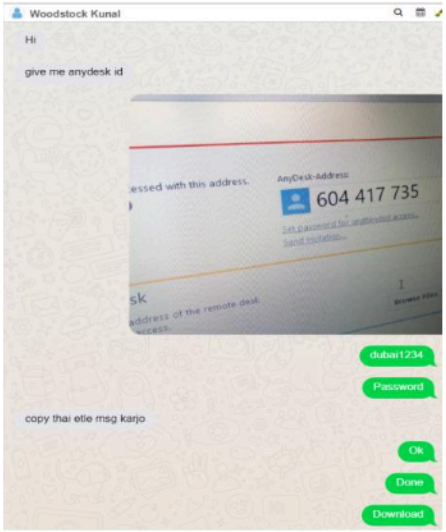
(vi.)The profits generated in the aforesaid trading accounts were transferred in the form of cash to Mr. Sumit Desai which in turn was transferred by Mr. Sumit Desai to Mr. Viresh Joshi.

Woodstock Group

(l.)Woodstock Group consisted of FR 5, viz., Visa Capital Partners.

(m.)FR 5 had allegedly traded through Woodstock Broking Pvt. Ltd./Noticee no.1 [Stock broker registered with SEBI (Reg. No. INZ000245232)].

(n.)It was alleged that Mr. Kunal Dalal, IT officer of Woodstock Stock Broking Pvt. Ltd., had installed the trading terminal software (ODIN) in the systems of Mr. Prijesh Kurani in Dubai using AnyDesk (remote access software). Mr. Prijesh Kurani had communicated with Mr. Kunal Dalal for help whenever he faced technical issues with respect to the software used for trading with Woodstock Broking Pvt. Ltd. The screenshot of the chat (an illustration) is given below:



(o.)In this connection, it was alleged that Mr. Prijesh Kurani executed trades for FR 5 and the details of same were also part of the WhatsApp conversations.

(p.)Further, vide statement dated May 16, 2022, Mr. Suresh Kanmal Jajoo (Director of Woodstock Broking Pvt Ltd.) had allegedly stated the following:

(i.) *He had shared the details/ credentials of trading account of Visa Capital Partners with Darshan Desai, brother of Sumit Desai;*

(ii.) *The trading software (ODIN) of Woodstock Broking Pvt. Ltd. was installed on the PC/Laptop of Prijesh Kurani in Dubai using AnyDesk, on the instructions of Vaibhav Pandya, assistant of Darshan Desai, by Kunal Dalal, the IT head of Woodstock Broking Pvt. Ltd;*

(iii.) *The profit sharing ratio for the trades executed by Darshan Desai was 70:30, with 70% of the profits being in the favor of Darshan Desai;*

(iv.) *The total profits generated by the large intraday trades undertaken by Prijesh Kurani in the trading account of VISA Capital Partners was around Rs.14.50 crore; Further, he had also submitted that the entire profits earned in the aforesaid scheme was still with VISA Capital Partners and, to that effect, had submitted the details of trades executed through WOODSTOCK7, dealer ID provided by Woodstock Broking Pvt. Ltd. to Prijesh Kurani for placing the alleged trades.*

(q.)To summarise the discussions made in the pre paragraphs as regards Woodstock Group, the following allegations were made in the investigation report:

(i.) *Mr. Suresh Kanmal Jajoo, the director of Woodstock Broking Pvt. Ltd. and the partner of VISA Capital Partners, had shared the details/credentials of the trading account of VISA Capital Partners with Mr. Darshan Desai, brother of Mr. Sumit Desai which were in turn shared with Mr. Prijesh Kurani;*

(ii.) *Woodstock Broking Pvt. Ltd. facilitated the placement of trades in the aforesaid trading account by Mr. Prijesh Kurani, who was located in Dubai, by installing the trading terminal software (ODIN) on the PC/ Laptop of Mr. Prijesh Kurani;*

(iii.) *The front-running trades were placed in the aforesaid trading account of VISA Capital Partners by Mr. Prijesh Kurani from Dubai.*

(r.)In view of the discussions made above as regards Marfatia Group and Woodstock Group, the following summarized allegations were made in the IR:

(i.) *It was alleged that Mr. Sumit Desai approached Mr. Pranav Vora and Mr. Suresh Kanmal Jajoo to arrange trading accounts where large intraday trades can be placed;*

(ii.) *Mr. Prijesh Kurani used to place the trades, on the instructions of Mr. Viresh Joshi in the FR accounts so arranged;*

(iii.) *Mr. Prijesh Kurani not only placed the trades in the accounts so arranged by Mr. Sumit Desai but also piggybacked and placed the trades in the accounts of his family members (Kurani Group);*

(iv.) *Marfatia Stock Broking Pvt. Ltd. and Woodstock Broking Pvt. Ltd. facilitated the placement of trades in the aforesaid trading accounts by Mr. Prijesh Kurani from Dubai by installing the trading terminal software (ODIN) on the PC/ Laptop of Mr. Prijesh Kurani who was neither the authorized person nor a dealer of the respective trading members.*

Identification of terminals from which Front Running orders were placed

(s.)As discussed in the previous paragraphs, the trading members, viz., Marfatia Stock Broking Private Limited/Noticee no. 7 and Woodstock Broking Private Limited/Noticee no. 6 allegedly facilitated the installation of trading terminals (trading

software – ODIN) on the computer systems of Mr. Prijesh Kurani in Dubai from where he had placed the alleged front running orders;

(t.) The details of IP addresses/ MAC Ids of trading terminal software installed in the systems of Mr. Prijesh Kurani from which alleged front running orders were placed, were collected from the trading members (TM) and are given in the table below:

Table 3

Sr. No.	TM Name	Common Public IPs			Common MAC Ids**
		Public IPs*	Location	Period	
1.	Marfatia Stock Broking Pvt. Ltd. (TM through which trades of FR 1, 2, 3 and 4 were allegedly executed)	Public IPs not captured			54-E1-AD-B8-4C-C1 (Found common for trades placed in the trading accounts of FR 1,2,3,4,5,6) 38-87-D5-06-1B-83 (Found common for trades placed in the trading accounts of FR 1,2,3,4,5,6 and 8)
2.	Woodstock Broking Pvt. Ltd. (TM through which trades of FR 5 were allegedly executed)	2.51.123.156	Dubai	Nov 21 to Jan 22	
		92.98.81.23	Dubai	Feb 22 to Mar 22	
		86.99.173.68	Dubai	Feb 22	

**Public IP address of a system is the IP address that is used to communicate outside the network. A public IP address is basically assigned by the ISP (Internet Service Provider) and the scope of Public IP is global.*

***A Media Access Control address (MAC address) is a hardware identifier that uniquely identifies each device on a network.*

(u.) In this regard, it was alleged in the IR that the Public IPs were common for FR 5 to FR 9 which included the trading accounts of family/associates of Mr. Prijesh Kurani with their respective trading members. Also, the location of the common Public IP addresses was observed to be situated in Dubai;

(v.) Further, in case of Marfatia Stock Broking Pvt Ltd/Noticee no.7, it was noted that the Public IP addresses have not been captured in the database. However, it was noted in the investigation report that the two MAC IDs captured with respect to the front running trades executed through Woodstock Broking Pvt. Ltd. and Marfatia Stock Broking Pvt. Ltd. was found to be common. The said observation allegedly indicated that the alleged front running orders were executed from the same computer systems through both the brokers. Further, the same observation allegedly coincided with the statements given by Mr. Nishil Marfatia/Noticee no.8 and Mr. Suresh Jajoo/Noticee no.2, wherein it was stated that they had installed the trading terminal software (ODIN) in the computer system of Mr. Prijesh Kurani. It was further alleged that the aforesaid observation was accepted by Mr. Viresh Joshi in his statement recording, i.e., he 'used to pass trades related information to Mr. Prijesh Kurani who in turn used to execute the orders'. In view thereof, it was alleged that Mr. Prijesh Kurani was the person placing/executing the alleged front running orders.

(w.) In view of the above observations/findings made in the previous paragraphs, it was alleged that Noticee no. 1 and Noticee no. 7, viz., Woodstock Broking Private Limited and Marfatia Stock Broking Private Limited have installed their terminals in the

computer system of Mr. Prijesh Kurani in Dubai (who was not a registered dealer or an Authorized Person) and also provided IT support to enable the execution of the alleged front running orders/trades. Therefore, it was alleged that Noticee nos. 1 and 7 have allegedly aided in executing the alleged front running fraudulent scheme and thereby violated the provisions of section 12A (a), (b), (c) of the SEBI Act and regulations 3 (a), (b), (c), (d) and 4(1) of the PFUTP Regulations. Further, it was alleged in the investigation report that Noticee nos. 2 to 6 being the directors of Noticee no. 1 and Noticee nos. 8 to 10 being the directors of Noticee no. 7, were responsible and liable for the actions of the said companies. Therefore, Noticee nos. 2 to 6 and Noticee nos. 8 to 10 have allegedly violated the provisions of section 12A (a), (b), (c) of the SEBI Act and regulations 3 (a), (b), (c), (d) and 4(1) of the PFUTP Regulations read with section 27 of the SEBI Act.

Noticees 1 to 6

6. The SCN was duly served upon Noticees 1 to 6 in accordance with the applicable Rules. The Noticees submitted their replies vide letter dated December 01, 2023. Thereafter, an opportunity of hearing was granted to the said Noticees before the erstwhile AO, which was attended by their authorized representatives (ARs), namely, KRCV Seshachalam, assisted by Mangesh Avhale and Noticee 2, Mr. Suresh Jajoo. The ARs reiterated the submissions made vide letter dated December 01, 2023 and sought time until January 19, 2024 to file additional submissions, which was granted. Accordingly, Noticees 1 to 6 filed their additional submissions vide letter dated January 19, 2024.

7. Thereafter, pursuant to the superannuation of the erstwhile AO, the undersigned was appointed as the AO in the present matter. In the interest of natural justice, a further opportunity of hearing was granted to the said Noticees on August 11, 2026. Upon the request of the Noticees, the hearing was adjourned to August 25, 2026. The Noticees also filed further submissions vide letter dated August 24, 2026. The hearing held on August 25, 2026 was attended by their ARs, namely, KRCV Seshachalam, assisted by Mangesh Avhale and Noticee 2, Mr. Suresh Jajoo. The ARs reiterated the submissions made vide letters dated December 01, 2023, January 19, 2024 and August 24, 2026. The relevant extracts of the submissions made in the aforesaid letters are as under:

Extracts of submissions made vide letter dated December 01, 2023

a. *The Noticees submitted that Ld. WTM of SEBI had passed an Ad Interim Ex-parte Order-cum-Show Cause Notice dated February 28, 2023, on the allegations of possible front-running of Axis Mutual Fund trades. They further submitted that the said Interim Order had been issued, inter alia, against Noticee nos. 2 and 3 in their capacity as partners of M/s. Visa Capital Partners (VCP) and that VCP was a trading client of Noticee no. 1;*
b. *The Noticees submitted that, in terms of the directions contained in the Interim Order, VCP had opened a Savings Bank account with Central Bank of India and marked a lien on Rs. 14,07,03,341/- in favour of SEBI, on behalf of VCP, Mr. Suresh Jajoo, Ms. Vimla S. Jajoo and other partners of VCP. It was submitted that, following their replies and clarifications to the Interim Order, a hearing had been granted to the parties on October 27, 2023. They further submitted that the present adjudication proceedings had been initiated on the basis of the aforesaid investigation. They submitted that VCP was a client of Noticee no. 1, wherein Noticee nos. 2 and 3 were partners. It was further submitted that, although the present proceedings had been initiated against Noticee nos. 1 to 6, among others, alleging violation of certain provisions of securities laws, there was no reference to Noticee nos. 4 to 6 in the Interim Order or in the investigation report;*
c. *The Noticees submitted that Mr. Suresh Jajoo (Noticee no. 2), Mrs. Vimla Suresh Jajoo (Noticee no. 3), Mr. Jugal Kishore Bajaj (Noticee no. 4), Mr. Jagdish Shantilal Maheshwari (Noticee no. 5) and Mr. Dilip Pandurang Malap (Noticee no. 6) had been included in the proceedings only because they were on the Board of Directors of Noticee no. 1 and that no other role had been attributed to them. It was submitted that they had not indulged in or engaged in any front-running or any irregularity, as alleged in the SCN. They submitted that Noticee no. 2 and VCP had permitted the use of VCP's trading terminal by Mr. Darshan Desai for trading with an understanding on profit sharing and that Mr. Darshan Desai had not been made an accused either in the ad interim ex-parte order or in the instant SCN. It was further submitted that allowing the use of the trading terminal was purely a business and commercial decision entered into with Mr. Darshan Desai on profit-sharing terms. They submitted that the arrangement had been based on mutual understanding and did not in any way amount to front-running;*
d. *The Noticees submitted that Noticee no. 2 had been acquainted with Mr. Darshan Desai for the past 5 to 6 years and that Mr. Darshan Desai was the brother of Mr. Sumit Desai and was actively involved in stock trading. They submitted that subsequent investigations had revealed that Mr. Sumit Desai apparently had a connection/association with Mr. Viresh Joshi, who appeared to have planned to use leads provided by an Axis MF dealer, namely Mr. Viresh Joshi. It was submitted that Noticees were not part of any front-running, as they had been totally unaware of the same, which, according to them, was also apparent from the Interim Order. They submitted that Noticee no. 2 had a very limited association/relationship with Mr. Darshan Desai and had no acquaintance with Mr.*

Sumit Desai. They further submitted that Mr. Darshan Desai had neither been impleaded as a party nor made an accused in the present proceedings or in the section 11B proceedings nor had he been summoned to provide his statement;

e. *The Noticees submitted that none of them had any connection or nexus with Mr. Sumit Desai or any other individuals under the SCN. Consequently, according to them, the alleged link/ties between the present Noticees and the other individuals stood severed, rendering any link to the alleged fraud unsubstantiated. They submitted that, in the absence of such a connection, no penalty ought to have been imposed upon them.*
f. *The Noticees reiterated that they had not been involved in any front-running activities and that they possessed no knowledge of, nor any acquaintance with, the individuals in question. It was submitted that the installation of the trading terminal software (ODIN) on the terminal lent to Mr. Darshan Desai had been executed on the instructions of him. They submitted that they had no knowledge of any possible front-running activity taking place at the end of Mr. Darshan Desai. They further submitted that it appeared that Mr. Darshan Desai had breached the terms of the arrangement with VCP and had given access to a third party. They submitted that even the Interim Order explicitly acknowledged that Noticee no. 2 and VCP had no knowledge of any front-running of trades;*
g. *The Noticees referred to the statement of Mr. Sumit Desai dated August 10, 2022, as extracted in the investigation report and submitted that it was apparent therefrom that Mr. Sumit Desai had approached Noticee no. 2 to lend his trading account for placing large intraday trades resulting in significant profits and had also asked Mr. Suresh Jajoo to lend the trading terminal of Woodstock Broking Pvt. Ltd. to Mr. Prijesh Kurani while Mr. Darshan Desai had interacted with Mr. Suresh Jajoo on his behalf. It was submitted that, admittedly, Mr. Darshan Desai, brother of Mr. Sumit Desai, had been the person who had interacted with Noticee no. 2 in the context of finalising the terms of profit sharing and permitting use of the trading terminal. They submitted that they had not been aware that Mr. Sumit Desai had prompted Mr. Darshan Desai to interact with Noticee no. 2 nor had they been aware that Mr. Darshan Desai had acted at the behest of Mr. Sumit Desai or any other person;*
h. *The Noticees submitted that they had not been aware who Mr. Prijesh Kurani was and that there was no other evidence on record to prove that Noticee no. 2 or any other Noticee had been aware of Mr. Prijesh Kurani or any other front runner. It was contended that the dealings of VCP and Noticee no. 2 were solely with Mr. Darshan Desai and that they had been under the genuine belief that the arrangements had been made independently. According to them, there had been no indication that Mr. Darshan Desai had been operating under the direction or influence of Mr. Sumit Desai or any third party. The Noticees further submitted that Noticee no. 2 and VCP had not been privy to the relation and transactions between Mr. Darshan Desai and Mr. Sumit Desai, if any and had no reason to suspect any impropriety in their dealings with Mr. Darshan Desai. They submitted that they had*

operated in good faith, with no knowledge of and no complicity in any alleged front-running activities;

i. *The Noticees submitted that lending the trading terminal for the purpose of profit generation was a business practice prevailing within the industry. They submitted that, at the time of entering into the understanding with Mr. Darshan Desai for profit sharing, Noticee no. 2 and VCP had been genuinely unaware that the said act would lead to this kind of scenario and that they had acted in good faith and under a bonafide belief in allowing the trading terminal of VCP to be used by Mr. Darshan Desai on commercial terms. The Noticees have relied upon extracts from the Interim Order and submitted that the same demonstrated that:*
   i. *Mr. Viresh Joshi had prima facie access to non-public information about impending orders of Axis MF;*
   ii. *Mr. Prijesh Kurani had been placing orders in the trading accounts of Marfatia Group, Woodstock Group and Kurani Group from Dubai;*
   iii. *The registered owners of the trading accounts had not operated those accounts when it came to execution of the front-running trades;*
   iv. *The registered owners of the trading accounts had lent their accounts to persons known to them; and*
   v. *The trading accounts pertaining to Marfatia Group and Woodstock Group had been prima facie classified as "On rent" mule accounts.*

j. *Based on the above, the Noticees submitted that they had not been involved in facilitating front-running or engaging in any other illicit activities that could potentially harm investors or the market at large. They submitted that they had not intentionally or otherwise participated in activities that could compromise or jeopardize the interests of investors;*

k. *With regard to paragraphs 3 and 4 of the SCN, the Noticees submitted that, although table 3 of the SCN referred to VCP as Front Runner no. 5, the basis of connection mentioned therein was only that Mr. Suresh K. Jajoo was director of Noticee no. 1 and that FR trades had been executed in the trading account held with Noticee no. 1. According to them, there was no allegation that Noticee no. 1 had itself been involved in front-running and therefore Noticee no. 1 and its directors could not be charged for any violation. The Noticees further submitted that ODIN had been installed on the request of Mr. Darshan Desai on his computer, and that they had not been aware that Mr. Prijesh Kurani was operating the terminal;*

l. *With regard to paragraphs 5.9 to 5.11 of the SCN, the Noticees submitted that VCP was a partnership firm of Noticee nos. 2 and 3 (among others) and had a trading account with Noticee no. 1. They submitted that Noticee nos. 2 and 3 were among the directors of Noticee no. 1. They accepted that an officer of Noticee no. 1 had installed ODIN in the systems of Mr. Darshan Desai but submitted that Noticee no. 2 and VCP had only shared the credentials of the trading terminal with Mr. Darshan Desai. They submitted that they did not know who Mr. Prijesh Kurani was and that they were under a bonafide impression that Mr. Prijesh Kurani was an employee*

of Mr. Darshan Desai. Therefore, according to them, nothing adverse could be inferred from the fact that ODIN had been installed in the terminal shared with Mr. Darshan Desai by an employee of Noticee no. 1.

m. *With reference to paragraph 5.12 of the SCN, the Noticees submitted that the investigation report itself clearly captured that it was Mr. Sumit Desai who was in touch with Mr. Prijesh Kurani and that Mr. Prijesh was sharing trading details with him and that the Noticees were not in the picture at all. Further, with regard to paragraph 5.13 of the SCN, the Noticees submitted that Noticee no. 2 had given his statement on May 16, 2022 and sought to rely upon the same in its entirety for its correct interpretation. They submitted that, during the recording of the statement, Noticee no. 2 had stated that ODIN had been installed on the request of Mr. Darshan Desai and that he had nowhere stated that he was aware of any alleged plan of front-running or that Mr. Darshan Desai was using the terminal for alleged front-running. They submitted that Noticee no. 2 had not been aware that Mr. Prijesh was acting in concert with anybody else and that he had been under a bonafide impression that the terminal was being operated by or under the instructions of Mr. Darshan Desai, with whom he had a legitimate commercial understanding;*

n. *With regard to paragraph 5.15 of the SCN, the Noticees submitted that Noticee no. 2 had not been aware that the terminal was being used directly by Mr. Prijesh Kurani. They submitted that Noticee no. 2 had been under a bonafide belief that the terminal had been shared with Mr. Darshan Desai and that the trades were being done by him or under his direction. Accordingly, they denied that they had in any way facilitated placement of orders by Mr. Prijesh Kurani. They reiterated that they had no relation whatsoever with Mr. Prijesh Kurani or any other person and that it had always been Mr. Darshan Desai who interacted with Noticee no. 2;*

o. *With regard to paragraph 9 of the SCN, the Noticees submitted that table 4 only suggested that certain trades had been executed from Dubai during November 2021 to February 2022 from the IP addresses mentioned therein. They submitted that they had not been aware that the trades were being executed from Dubai and that they had always been under the impression that Mr. Darshan Desai was operating the account. They submitted that they had been unaware that the trades would be executed through the terminal from a different location outside India and that the execution of alleged trades from Dubai had come as a surprise to them and had been beyond their knowledge and control. The Noticees further submitted that they had not been aware of the trading of purported FR no. 9 and its details and that nothing adverse could be inferred from the allegation that trades were executed from the same location for someone else also. According to them, this fact itself suggested that the Noticees had not been aware of the alleged front-running committed by other persons nor had they been aware that Mr. Darshan Desai was in any way connected with other persons accused of front-running;*

p. *With regard to the allegation that the trading terminal had been installed on the computers of Mr. Prijesh Kurani, the Noticees submitted that Noticee no. 2 and VCP had been unaware that the terminal on which ODIN had been installed would*

be operated by Mr. Prijesh Kurani. They submitted that the clear understanding had been that Mr. Darshan Desai would operate the terminal and that VCP intended to share profits solely with Mr. Darshan Desai. They further submitted that Noticee no. 2 and VCP became suspicious the moment they observed consistency in profit booked by Mr. Darshan Desai on the terminal and therefore, from February 2022 onwards, the sharing was terminated by them on their own, without awaiting any regulatory intervention. With regard to the statement of Viresh Joshi referred to in the SCN, the Noticees submitted that he had not stated anything about the role of the Noticees in the alleged front-running. According to them, Mr. Viresh Joshi had only admitted that he had passed on information directly to Mr. Prijesh Kurani, who in turn had traded and there had been no involvement of the Noticees in the whole transaction;

q. *With reference to table 5 of the SCN, the Noticees submitted that the amount of Rs. 14,07,03,341/- had already been credited to a Savings Bank account and lien had been marked in favour of SEBI, as directed in the Interim Order, by VCP. They reiterated that VCP and Noticee no. 2 had an arrangement only with Mr. Darshan Desai and that they had not been aware of any other entity/person as alleged in table 5 of the SCN. They also pointed out that Mr. Darshan Desai had not even been referred to in the SCN. It was submitted that Mr. Darshan Desai was the link that allegedly connected the matter to the front runners through his brother Mr. Sumit Desai and that in the absence of any allegation against Mr. Darshan Desai, there could be no case against the Noticees. According to them, the chain of persons concerned with the alleged front-running stood broken and the investigation itself corroborated that the Noticees did not have any direct connection or nexus with Mr. Sumit Desai. They submitted that, in the absence of such a link, they could not be subjected to any penalty. In support of the said contention, the Noticees relied upon the decisions of Hon'ble SAT in the matter of Manish Suresh Joshi v. SEBI, Appeal No. 2 of 2020, decided on January 13, 2020 and Kaushik Rajnikant Mehta v. SEBI (Appeal No. 76 of 2019);*

r. *With regard to paragraphs 12 and 13 of the SCN, the Noticees submitted that they had not installed ODIN in the computer system of Prijesh Kurani, as alleged. They submitted that VCP had got ODIN installed on the computer of Mr. Darshan Desai, which had subsequently been used by Mr. Prijesh Kurani. They reiterated that they had not been aware of any possible front-running of trades through the terminal of VCP lent to Mr. Darshan Desai and that they had only shared their trading terminal on a profit-sharing basis with Mr. Darshan Desai. They further submitted that Noticee no. 2 or VCP never knew that any person other than Mr. Darshan Desai would place trades through their trading terminal and denied that any of the Noticees had enabled execution of front-running trades/orders or aided execution of any front-running fraudulent scheme. It was submitted that the intent of Noticee no. 2 and VCP had solely been to engage in a legitimate profit-sharing arrangement with Darshan Desai and that any unintended consequences that might have arisen had been beyond their knowledge and control;*

s. *The Noticees submitted that Noticee nos. 2 to 6 were directors of Noticee no. 1 company and further submitted that Noticee no. 2, i.e., Mr. Suresh Jajoo, was the sole decision maker within the company and played a significant role in the decision-making processes of VCP, particularly in matters related to trading activities. It was submitted that Noticees had not engaged in any fraudulent activity. They contended that, at the highest, their actions in question could be characterised as acts of negligence, as stated in the ex-parte order and on that ground alone they ought to have been absolved of all charges and the SCN ought to have been terminated as against them. They also submitted that there was no allegation in the SCN that lending of the terminal had in any way violated any securities law;*

t. *The Noticees submitted that they had neither used nor employed, 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 Act, rules or regulations made thereunder. They submitted that they had not employed any manipulative or deceptive device or contrivance as contemplated under section 12A(a) of the SEBI Act. It was further submitted that they had not employed any device, scheme or artifice to defraud in connection with issue or dealing in securities listed on a recognized stock exchange and, therefore, had not violated section 12A(b) of the SEBI Act. It was also submitted that they had not engaged in any act, practice or course of business which operated as fraud or deceit upon any person in connection with issue or dealing in securities listed or proposed to be listed on a recognized stock exchange and, therefore, had not violated Section 12A(c) of the SEBI Act;*

u. *The Noticees submitted that they had not violated the PFUTP Regulations, as alleged in the SCN, and had not bought, sold or otherwise dealt in securities in a fraudulent manner. Accordingly, they submitted that they had not violated section 12A(a), (b) and (c) of the SEBI Act and regulations 3(a), 3(b), 3(c), 3(d) and 4(1) of the PFUTP Regulations. It was further submitted that they had not violated regulation 3(a) as they had not bought, sold or otherwise dealt in securities in a fraudulent manner, not violated regulation 3(b) as they had not used or employed any manipulative or deceptive device or contrivance, not violated regulation 3(c) as they had not employed any device, scheme or artifice to defraud, not violated regulation 3(d) as they had not engaged in any act, practice or course of business which operated as fraud or deceit upon any person and not violated regulation 4(1) as they had not indulged in manipulative, fraudulent or unfair trade practices;*

v. *The Noticees submitted that the finding that they had facilitated the front-running activities/transactions made by other noticees was purely based on surmises and conjectures. It was submitted that there was no allegation of any unlawful gain made by them. They contended that the profits earned in the normal course of business could not be treated as unlawful gains. In any case, they submitted that the sum of Rs. 14,07,03,341/- had already been deposited in a Savings Bank account with Central Bank of India and lien had been marked in favour of SEBI by VCP. They further submitted that there was no allegation in the SCN that the*

violations were repetitive and therefore no further penalty ought to be imposed upon them;

w. *The Noticees submitted that Noticee nos. 2 to 6 had been added to the proceedings only by virtue of their being directors of Noticee no. 1, which, according to them, went beyond the corporate veil and was not permissible. They submitted that there were no additional duties mentioned in law for directors of a company which was a stock broker. They further submitted that since Suresh Jajoo (Noticee no. 2) was a promoter director, the other directors could not be treated as officers in default, as they were not involved in the day-to-day affairs of Noticee no. 1. It was submitted that Noticee no. 1, in its capacity as a stock broker, could not be held responsible and/or accountable for actions committed by its client. They submitted that the role of Noticee no. 1 as a stock broker was facilitative rather than directive in nature, wherein it provided services and executed transactions on behalf of the client.*

Extracts of submissions made vide letter dated January 19, 2024

a. *The Noticees submitted that, from a bare perusal of the SCN, SEBI had not placed on record any material or proof incriminating Noticee nos. 2 to 6 and that no role had been attributed to those Noticees. According to them, there were no specific allegations against Noticee nos. 2 to 6 except that they were directors on the board of Noticee no. 1. It was submitted that the Noticee nos. 2 to 6 had been added simply because they were directors of Noticee no. 1 at the relevant time. They further submitted that it was not even the case of SEBI that Noticee nos. 2 to 6 were in charge of the day-to-day affairs of Noticee no. 1. The Noticees further submitted that under section 27(1) of the SEBI Act, the burden lay on SEBI to prove that Noticee nos. 2 to 6 were in charge of, and were responsible to, the company for the conduct of its business, and that such proof was absent from the SCN;*
b. *The Noticees submitted that the only allegation against all the Noticees was that an official of Noticee no. 1 had facilitated uploading the ODIN credentials on the computer of Mr. Prijesh Kurani. Therefore, according to them, only the concerned directors, if any, who were responsible for managing the trading terminals of Noticee no. 1 could at all be examined, if the said act of enabling terminal on the PC of Mr. Prijesh Kurani was to be treated as an "offence";*
c. *The Noticees submitted that it was their case that the Noticees or their client Visa Capital Partners (VCP) were not aware of Prijesh Kurani and that the trading terminal had been given to Mr. Darshan Desai, who was an acquaintance of Noticee no. 2. It was submitted that they had not indulged in or engaged in any front-running or any irregularity, as alleged in the SCN. They submitted that Noticee no. 2, in his capacity as partner of VCP, had permitted use of VCP's trading terminal by Mr. Darshan Desai, who had been an acquaintance of Noticee no. 2 for the past 5 to 6 years;*
d. *The Noticees submitted that the decision to allow use of the trading terminal by Mr. Darshan Desai had been purely a business and commercial decision entered into between Mr. Darshan Desai and VCP, with an understanding of sharing profits*

in the ratio of 70:30 and that such mutual understanding in no way amounted to front-running. It was submitted that, in the instant case, Woodstock Broking Pvt. Ltd. had not been directly involved in the trading activities of VCP, rather, VCP had extended use of its terminal to Mr. Darshan Desai. They submitted that the agreement between VCP and Darshan Desai involved profit sharing in the ratio of 70:30 for trades conducted using the terminal and that Mr. Darshan Desai, acting as a trader, executed the orders;

e. *The Noticees submitted that Mr. Suresh Jajoo wore two hats, one as a partner in VCP and the other as a director in Woodstock Broking Pvt. Ltd. They also submitted that the profits generated through the trading activities of Mr. Darshan Desai using the terminal provided by VCP had already been impounded by SEBI vide interim order dated February 28, 2023. It was submitted that Mr. Darshan Desai, brother of Mr. Sumit Desai, had not been made an accused either in the ad interim ex-parte order or in the instant SCN. They submitted that it was revealed to them only from the investigation report that Mr. Sumit Desai apparently had a connection/association with Mr. Viresh Joshi, an Axis MF dealer who had planned to utilize leads provided by him. According to them, till such time, Noticee no. 2 or VCP had not been aware of any front-running activity at all;*
f. *The Noticees submitted that they were not part of any front-running because they had been totally unaware of the same and that this aspect had been appropriately captured in the Interim Order. They submitted that Noticee no. 2 had only a very limited association/relationship with Mr. Darshan Desai. It was submitted that the statements of Mr. Sumit Desai would also reveal that it was Mr. Darshan Desai who had interacted with Noticee no. 2 for finalizing the terms and that Mr. Sumit Desai had admittedly never interacted with Noticee no. 2;*
g. *The Noticees submitted that Mr. Sumit Desai had approached Noticee no. 2 with an intention of securing the trading terminal belonging to Noticee no. 1, proposing an arrangement based on profit sharing, as reflected in the extract from the investigation report. It was submitted that the dealings of VCP and Noticee no. 2 were solely with Mr. Darshan Desai and that they were under the genuine belief that the arrangements were commercial, independent and stand-alone. According to them, there had been no indication to Noticee no. 2 that Mr. Darshan Desai was operating under the direction and/or influence of Mr. Sumit Desai or any third party;*
h. *The Noticees submitted that they had been unaware that Mr. Sumit Desai had prompted Mr. Darshan Desai to interact with Noticee no. 2 and that they had not been aware that Mr. Darshan Desai was acting at the behest of Mr. Sumit Desai or any other person. It was submitted that they did not know any other person other than Mr. Darshan Desai and that they had not been aware of Mr. Prijesh Kurani. They further submitted that they did not know that their IT officer had installed ODIN on the system of Mr. Prijesh Kurani and that they had been under the bonafide impression that it was a computer of Mr. Darshan Desai and that Mr. Prijesh Kurani might be an employee of Mr. Darshan Desai;*
i. *The Noticees submitted that the installation of the trading terminal software (ODIN) on the terminal provided to Mr. Darshan Desai had been carried out in accordance*

with his instructions. They submitted that they had been unaware of any potential front-running activities conducted by Mr. Darshan Desai or any person associated with him. It was submitted that it had become evident that Mr. Darshan Desai had violated the terms of the arrangement with VCP by granting access to a third party. They reiterated that they had been completely unaware of use of the terminal lent by VCP for alleged front-running and further reiterated that the Interim Order explicitly acknowledged that Noticee no. 2 and VCP had no knowledge of any front-running of trades;

j. *The Noticees submitted that Mr. Darshan Desai, with whom Noticee no. 2 had partnered on profit-sharing terms of 70:30, had not been included in the section 11B proceedings and/or the instant adjudication proceedings. They submitted that his name did not appear either in the Interim Order or in the instant SCN, and that he had not been impleaded as a party, made an accused or summoned to provide his statement. It was submitted that table 3 of the SCN only cited the details of front runners and insofar as VCP was concerned at sr. no. 5, the basis of connection mentioned therein was merely that Mr. Suresh K. Jajoo was a director of Noticee no. 1 and that the FR trades were executed in the trading account held with Noticee no. 1. According to them, other than routing orders of VCP through it as a broker, Noticee no. 1 had no connection with the entire case of alleged front-running;*

k. *The Noticees submitted that there was no allegation against Noticee no. 1 that it was involved in any manner in the alleged front-running, and therefore Noticee no. 1 and the directors of Noticee no. 1 could not be charged with any violation. It was submitted that ODIN had been installed on the request of Mr. Darshan Desai on his computer and that they had not been aware that Mr. Prijesh Kurani was operating the terminal;*

l. *The Noticees submitted that Noticee nos. 2 and 3, who were partners of VCP, were also directors of Noticee no. 1 and that VCP maintained its trading account with Noticee no. 1. They submitted that it was a matter of fact that an officer of Noticee no. 1 had installed the ODIN software in the system of Mr. Darshan Desai and that VCP had only shared the credentials of the trading account with Mr. Darshan Desai. It was submitted that Noticees did not know who Mr. Prijesh Kurani was, and that they had been under a bonafide impression that Mr. Prijesh Kurani was an employee of Mr. Darshan Desai. They submitted that, therefore, nothing adverse could be inferred from the fact that ODIN had been installed in the terminal shared with Darshan Desai by an employee of Noticee no. 1;*

m. *The Noticees submitted that, during the recording of the statement of Noticee no. 2, it had been stated that ODIN was installed on the request of Mr. Darshan Desai, and it had not been stated anywhere that the Noticee was aware of any alleged plan of front-running or that Darshan Desai was using the terminal for alleged front-running. It was submitted that Noticee no. 2 had not been aware that Prijesh was acting in concert with anybody else and that Noticee no. 2 had been under a bonafide impression that the terminal was being operated by or under the*

instructions of Mr. Darshan Desai, with whom he had a legitimate commercial understanding;

n. *The Noticees submitted that Noticee no. 2 had not been aware that the terminal was being used directly by Mr. Prijesh Kurani. They submitted that Noticee no. 2 had been under a bonafide belief that the terminal was shared with Mr. Darshan Desai and that the trades were being done by him or under his direction. It was denied that Noticees had in any way facilitated placement of orders by Mr. Prijesh Kurani. They reiterated that they had no relation whatsoever with Mr. Prijesh Kurani or any other person and that it had always been Mr. Darshan Desai who interacted with Noticee no. 2. They further submitted that Noticee no. 2 or any other Noticee had not been aware that the front-running trades were being executed through the terminal shared with Darshan Desai;*

o. *The Noticees submitted that table 4 of the SCN only suggested that during November 2021 to February 2022 certain trades were executed from Dubai from the IP address mentioned therein. They submitted that they had not been aware that the trades were executed from Dubai and that they had always been under the impression that Mr. Darshan Desai was operating the account. It was submitted that the profits made from the trades done by Mr. Darshan Desai had already been impounded by SEBI. They further submitted that Noticee no. 2 and VCP had been unaware that the terminal on which ODIN had been installed would be operated by Mr. Prijesh Kurani. They submitted that the clear understanding had been that Mr. Darshan Desai would operate the terminal and that VCP intended to share the profits solely with Mr. Darshan Desai;*

p. *The Noticees submitted that Noticee no. 2 and VCP became suspicious the moment they observed consistency in profits booked by Mr. Darshan Desai on the terminal and therefore, from February 2022 onwards, the sharing arrangement had been terminated by them on their own, without awaiting any regulatory intervention. It was submitted that Mr. Viresh Joshi, the alleged "Jadoogar", had not deposed anything about the role of the Noticees in the alleged front-running;*

q. *The Noticees submitted that Mr. Darshan Desai was the link that had allegedly connected the matter to the alleged front runners through his brother Mr. Sumit Desai and that in the absence of any allegation against Mr. Darshan Desai, there could be no case against the Noticees. It was submitted that the link in the chain of persons concerned with the alleged front-running stood broken and that the investigation also corroborated the fact that the Noticees did not have any direct connection or nexus with the alleged front runners;*

r. *The Noticees submitted that Mr. Darshan Desai had not been made an accused and/or a noticee in the instant investigation and that there was no connection or nexus between Mr. Sumit Desai / Mr. Viresh Joshi and Noticee no. 2 and VCP or any other Noticees. According to them, if that was so, then the link between the Noticees and the individuals responsible for perpetrating the front-running stood broken, and in the absence of such a link, the Noticees could not be subjected to any penalty. The Noticees further submitted that none of the Noticees had any association with any individual cited in the SCN, and consequently, any connection*

to the alleged fraud was untenable. According to them, without such connection, the proposed penalty could not be justified. In support of their contentions, the Noticees placed reliance on the judgments of the Hon'ble SAT in Manish Suresh Joshi v. SEBI, Appeal No. 2 of 2020, decided on January 13, 2020 and Kaushik Rajnikant Mehta v. SEBI, Appeal No. 76 of 2019;

s. *The Noticees submitted that they had not engaged in any fraudulent activity. According to them, at the highest, their actions could be characterized as acts of negligence, as stated in the ex-parte order and therefore on that ground alone they ought to have been absolved of all charges and the SCN ought to have been terminated against them. It was submitted that, in any case, there was no allegation in the SCN that lending of the terminal had in any way violated any of the securities laws. They further submitted that, as per an NSE circular, the penalty for any unauthorized terminal was Rs. 5,000/- and that there could not be a presumption of fraud or front-running merely because the trading terminal had been lent;*

t. *The Noticees submitted that Noticee no. 2 and VCP had not been privy to the relation and transactions between Mr. Darshan Desai and Mr. Sumit Desai, if any, and that they had no reason to suspect any impropriety in their dealings with Mr. Darshan Desai. It was submitted that they had maintained their innocence and asserted that they had operated in good faith, with no knowledge of and no complicity in any alleged front-running activities. The Noticees further submitted that, when VCP observed consistent generation of profits, they had immediately ceased their trading activity with Mr. Darshan Desai and that such arrangement had lasted only for about three months;*

u. *The Noticees submitted that the role of Woodstock Broking Pvt. Ltd. had been primarily that of a broker and that its role was limited to providing the trading terminal to its client, VCP. They submitted that Woodstock's involvement had been confined solely to the act of providing a terminal and did not extend beyond that specific activity. It was submitted that Woodstock had no other role to play in the alleged contrivance of front-running. They further submitted that the main allegation against them was that they had aided front-running leading to generation of profits but that aiding front-running could not be an independent violation unless the underlying violation itself was independently proved. It was submitted that, pertinently, there was no final finding of front-running by any competent authority in SEBI;*

v. *The Noticees submitted that, having generated profits, SEBI had issued the interim order dated February 28, 2023 and impounded funds totaling Rs. 14,09,35,492/-, and had also prohibited VCP and its partners from accessing the securities market as an interim measure, which prohibition was continuing. They further submitted that the impounded funds were presently under SEBI's lien and section 11B proceedings were underway. It was submitted that the ongoing proceedings involved section 11B proceedings and also encompassed section 15A proceedings in Chapter 3 and that it was a composite notice where SEBI had the authority to impose monetary penalties.*

Extracts of submissions made vide letter dated August 24, 2026

a. *The Noticees submitted that they had earlier replied to the SCN vide reply dated December 1, 2023, had attended the personal hearing dated January 9, 2024, and had thereafter filed written submissions dated January 19, 2024 before the then Adjudicating Officer. They submitted that the hearing had stood concluded on that date. It was further submitted that the fresh notice of hearing dated July 27, 2026, scheduling hearing on August 11, 2026, showed that the new AO had been appointed vide proceedings dated April 8, 2025, but had not acted upon the said appointment till July 27, 2026, i.e., 15 months after the appointment. They submitted that there were no details in the notice of hearing as to the reasons for such delay. It was submitted that, in the process, they had been left with pending adjudication proceedings for more than 30 months, post the conclusion of proceedings. They submitted that such inordinate delay in conclusion of the proceedings was detrimental to their interests and violated the principles of natural justice, as it had left them in uncertainty and caused prejudice. It was requested that the proceedings be dropped on the ground of undue delay in conducting the proceedings and passing final orders;*
b. *The Noticees submitted that an Interim Order-cum-SCN dated February 28, 2023 had also been issued in the matter of "Front Running of the Trades of Axis Mutual Fund", in which Noticee nos. 2 and 3 had also been Noticees. They submitted that the said proceedings had culminated in a final order dated July 24, 2026, after more than three years. It was submitted that, since the present notice of hearing had been issued on July 27, 2026, i.e., the very next working day after passing of the said final order, it was likely that the AO had been waiting for the said final order to be passed before concluding the present adjudication proceedings. In this regard, the Noticees submitted that the present proceedings had nothing to do with the substantive allegations of front-running and only concerned the limited allegations contained in the SCN, namely:*
    (i.)that Noticee no. 2, being a director of Noticee no. 1 and partner in Visa Capital Partners (VCP), had given access of the trading terminal of VCP to Mr. Darshan Desai;
    (ii.)that such credentials had subsequently been shared with Mr. Prijesh Kurani;
    (iii.)that Noticee no. 1 had facilitated placement of trades in the account of VCP by installing ODIN in the computer system of Prijesh Kurani in Dubai;
    (iv.)that profits generated in the trading account of VCP were to be shared with Mr. Darshan Desai in the ratio of 70:30; and
    (v.)that Noticee nos. 1 to 6 had thereby violated the provisions of Section 12A(a), (b), (c) of the SEBI Act and Regulations 3(a), (b), (c), (d) and 4(1) of the PFUTP Regulations.
c. *The Noticees submitted that the present proceedings ought to have been conducted independently and without being influenced by the findings in the final order dated July 24, 2026. It was submitted that, by email dated August 10, 2026, they had requested additional time to examine the said final order and to prepare*

and file an additional reply, in addition to their earlier replies dated December 1, 2023 and January 19, 2024. They submitted that they had also requested adjournment/rescheduling of the hearing fixed on August 11, 2026 to a date on or after September 7, 2026, but the AO had fixed the hearing on August 25, 2026, thereby giving them restricted time to file their additional reply. It was submitted that the final order dated July 24, 2026 had clearly found that Noticee no. 2 had never contacted Mr. Sumit Desai, who had arranged trading terminals for Mr. Viresh Joshi. The Noticees further submitted that it had always been their case that the person who had taken the trading terminal from VCP was Mr. Darshan Desai and that Noticee no. 2 was not aware of Mr. Sumit Desai;

d. *The Noticees submitted that Noticee no. 2 had only been acquainted with Mr. Darshan Desai for the past 5 to 6 years. They further submitted that Mr. Darshan Desai was the brother of Mr. Sumit Desai and was actively involved in stock trading. It was submitted that the investigation and the final order had revealed that Mr. Sumit Desai apparently had a connection/association with Mr. Viresh Joshi, who seemed to have planned to use leads provided by an Axis MF dealer. However, according to the Noticees, there was no reference to any relation between the Noticees and the other persons mentioned in the final order, except that Darshan Desai had acted on the instructions of Mr. Sumit Desai and the other front runners;*
e. *The Noticees reiterated that Noticee no. 2 had only a very limited association/relationship even with Mr. Darshan Desai and had never had any acquaintance with Mr. Sumit Desai at all. The Noticees further submitted that Mr. Darshan Desai had not been impleaded as a party or made an accused in the present proceedings or the section 11B proceedings nor had he been summoned to provide his statement. It was also submitted that the Interim Order itself unequivocally acknowledged that the installation of the ODIN trading terminal software on the system made available to Mr. Darshan Desai had been carried out solely pursuant to his express request;*
f. *The Noticees categorically submitted that they had possessed no knowledge nor any reasonable means of acquiring knowledge, regarding any front-running activities conducted at the behest of or through the facilities of Mr. Darshan Desai. It was submitted that the undisputed facts on record indicated that Mr. Darshan Desai had acted in breach of the terms governing his arrangement with VCP by surreptitiously granting unauthorised access to the terminal to an unidentified third party;*
g. *In light of the above, the Noticees reiterated that they had been wholly unaware that the terminal extended by VCP was being used as an instrument for trades predicated on front-running. They submitted that this position stood fortified by the Interim Order, which explicitly recorded that neither Noticee no. 2 nor VCP had any awareness of the alleged front-running transactions;*
h. *The Noticees further submitted that Noticee no. 2's course of dealing had been singularly and exclusively with Mr. Darshan Desai and that they had acted throughout on the strength of a genuine, bona fide and reasonable belief that the*

arrangements were being undertaken by Darshan Desai in his independent capacity;

i. *The Noticees submitted that no fact, circumstance or communication had ever been brought to their notice, nor could reasonably have been discovered upon due diligence, which would have alerted them to the possibility that Mr. Darshan Desai was acting under the aegis, direction or influence of Mr. Sumit Desai or any other unnamed third party. It was submitted that, in the absence of any such indicia, they could not be attributed with any knowledge, actual or constructive, of the alleged external control over Mr. Darshan Desai's operations;*
j. *The Noticees submitted that the final order was also silent on the fact that the Noticees were aware that the trades being placed by Darshan Desai were in the nature of front-running. It was submitted that it was worth noting that they had terminated access to the terminal granted to Mr. Darshan Desai as soon as they found that the profits generated were unusual, even without knowledge of the alleged front-running;*
k. *The Noticees submitted that Mr. Darshan Desai had not been made an accused either in the ad interim ex-parte order, the instant SCN or even in the final order, and that he had not been accused of any manipulation or fraud or front-running even in the final order. The Noticees further submitted that it was revealed to them only from the investigation report that Mr. Sumit Desai apparently had a connection/association with Mr. Viresh Joshi, who had planned to utilize leads provided by him and that till such time, Noticee no. 2 or VCP had not been aware of any front-running activity at all;*
l. *The Noticees submitted that there was no allegation in the SCN, nor any finding in the final order, that the Noticees had any such knowledge. The Noticees relied upon paragraph 85 of the final order, and submitted that it had been recorded therein that:*
    (i.)no evidence had been brought on record to show that Visa Capital Partners or the relevant account holders were based in or working from Dubai;
    (ii.)no material showed that these noticees had any contact with Mr. Viresh Joshi, who was the information carrier; and
    (iii.)while there was evidence in the form of MAC IDs and IP addresses to show that trades were being placed geographically from Dubai, the same only established the role of Mr. Prijesh Kurani, where admittedly he was based.
m. *The Noticees further relied upon paragraph 133 of the final order and submitted that the same had concluded on a strong preponderance of probability that Mr. Prijesh Kurani was actively communicating with Mr. Viresh Joshi, received non-public information from him and in turn used the accounts of the front-runner noticees to front-run the trades of Axis Mutual Fund. It was submitted that the above findings clearly showed that the role of the present Noticees in the alleged front-running activity was nil and that there was no evidence on record to suggest that the Noticees were aware that Mr. Darshan Desai would be used as a tool to give system access to the alleged front runners;*

n. *The Noticees submitted that it was not a mule account as alleged and that the purported transactions had been undertaken in the normal and ordinary course of business. They further submitted that there was nothing on record to establish that the Noticees had any knowledge of or participation in the alleged front-running activity. It was also submitted that they had not engaged in any fraudulent activity, and that, at the highest, their actions, if any, could be characterized as acts of negligence, as stated in the ex-parte order. The Noticees argued that on that ground alone they ought to have been absolved of all charges and the SCN ought to have been terminated against them. It was submitted that, in any case, there was no allegation in the SCN that lending of the terminal had in any way violated any of the securities laws at the time of the cause of action;*

o. *The Noticees submitted that, as per the NSE circular, there was a prescribed penalty for any unauthorized terminal and there could not be a presumption of fraud or front-running merely because a trading terminal had been lent. They submitted that every permission granted to a client to use a terminal did not amount to front-running. It was submitted that, in the absence of any proof that Noticees had been aware that their account was to be used as a mule account, they could not be found at fault;*

p. *The Noticees submitted that they had been unaware that Mr. Sumit Desai had prompted Mr. Darshan Desai to interact with Noticee no. 2 and that they had not been aware that Mr. Darshan Desai acted at the behest of Mr. Sumit Desai or any other person. It was submitted that they had not known any other person other than Mr. Darshan Desai and had not been aware of Mr. Prijesh Kurani;*

q. *The Noticees further submitted that they did not know that their IT officer had installed ODIN on the system of Mr. Prijesh Kurani and that they had been under the bonafide impression that it was a computer system of Mr. Darshan Desai and that Mr. Prijesh Kurani might be an employee of Mr. Darshan Desai. The Noticees submitted that Mr. Kunal had not stated anywhere that he had remotely installed ODIN on the system of Mr. Prijesh Kurani on the instructions of Noticee no. 2 and that it was not even the case of SEBI in the final order;*

r. *The Noticees submitted that table 3 of the SCN, which detailed the identified front runners, did not establish any culpable linkage with the Noticees. They submitted that, insofar as VCP was listed as a front runner, the sole basis for imputing liability to the Noticees was that Mr. Suresh K. Jajoo was a director of Noticee no. 1 and that the alleged front-runner trades were executed through a trading account maintained with Noticee no. 1;*

s. *The Noticees submitted that, beyond the routine brokerage services rendered in executing the orders of VCP, Noticee no. 1 had no involvement in or nexus with the alleged front-running activities. It was contended that the SCN failed to level any specific allegation of active participation or complicity by Noticee no. 1 in the purported front-running scheme. Consequently, they submitted that neither Noticee no. 1 nor its directors could be held liable for the alleged violations;*

t. *The Noticees reiterated that the ODIN trading terminal had been installed on the computer of Mr. Darshan Desai at his specific request and that the Noticees had*

no knowledge that Mr. Prijesh Kurani was operating the said terminal. It was submitted that Noticee nos. 2 and 3, among others, had already been debarred from the market for a period of three years, which had been set off against the period already undergone;

u. *The Noticees further submitted that, in terms of the directions contained in the Interim Order, VCP had opened a Savings Bank account with Central Bank of India and marked a lien on Rs. 14,07,03,341/- in favour of SEBI and that the final order had directed disgorgement of the said amount along with interest;*
v. *In light of the above, the Noticees prayed that the present SCN be adjudicated strictly on its own merits, without being influenced by the findings in the final order in the connected matter. The Noticees further prayed that the proceedings under the SCN be dropped on account of inordinate and unexplained delay, which, according to them, had caused severe prejudice and amounted to a violation of the principles of natural justice.*
w. *The Noticees submitted that, on merits, it ought to be held that the SCN failed to establish any knowledge, connection or mens rea on the part of the Noticees regarding the alleged front-running activity and that their role, at best, was limited to a peripheral and unintended association with Mr. Darshan Desai, who himself was not a party to the proceedings.*

Noticees 7 to 10

8. The SCN was duly served upon Noticees 7 to 10 in accordance with the applicable Rules. Vide e-mail dated December 22, 2023, the Noticees submitted that they had filed a settlement application under the relevant regulations. The Noticees thereafter filed their replies vide letters dated January 08, 2024. An opportunity of hearing was subsequently granted to the said Noticees before the erstwhile AO on January 09, 2024, which was attended by their ARs, namely, Mr. Ravi Vijay Ramaiya and Mr. Chintan Majumdar wherein they have reiterated the submissions made vide letter dated January 08, 2024.

9. Thereafter, pursuant to the superannuation of the erstwhile AO, the undersigned was appointed as the AO in the present matter. Vide e-mail dated May 07, 2025, the undersigned was informed that the settlement applications of Noticees 7 to 10 had been rejected. Thereafter, vide letters dated May 15, 2025, Noticees 7 to 9 sought inspection of documents. Further, Noticee 8, being the son of Noticee 10, intimated the demise of Noticee 10 on October 25, 2024 and enclosed a copy of the death certificate.

Inspection of documents was provided to Noticees 7 to 9 on June 11, 2025. Thereafter, Noticees 7 to 9 filed their additional submissions vide letters dated August 11, 2025 and August 12, 2025.

10. In the interest of natural justice, an opportunity of hearing was granted to Noticees 7 to 9 on August 11, 2026. Upon their request, the hearing was adjourned to August 25, 2026. The hearing held on August 25, 2026 was attended by their ARs, namely, Mr. Meit Shah and Mr. Chintan Majumdar. The ARs reiterated the submissions made vide letters dated January 08, 2024, August 11, 2025 and August 12, 2025. The ARs also sought time until September 07, 2026 to file further submissions, which was granted, and the same were filed vide letters dated August 26, 2026. The relevant extracts of the submissions made in the aforesaid letters are reproduced below:

Extracts of submissions made vide letters dated January 08, 2024

Submissions of Noticee 7

a. *The entire case revolved around Mr. Viresh Joshi, who was a dealer at Axis Mutual Fund and the allegation was that he had front-run the trades of Axis Mutual Fund and made unlawful gains. It submitted that the allegation qua Noticee no. 7 and Noticee no. 8 was only that they had enabled Mr. Viresh Joshi to carry out the said trades;*
b. *The SCN did not even allege any direct connection between Mr. Viresh Joshi and the answering Noticee or Noticee no. 8. According to it, the entire allegation was against Mr. Viresh Joshi and his associates who had allegedly carried out the front-running scheme and there were as such no allegations qua Noticee no. 7 except that software had been installed on one of the client's computers at the insistence of its registered AP;*
c. *The allegation of fraud was serious and could not be levelled casually. It submitted that there was no allegation per se that setting up software on the laptop of a client by using remote desk software was illegal. According to it, charges had been levelled against it only because the said software was allegedly misused by the client and if no such misuse had occurred, there would have been no reason to proceed against the Noticee;*
d. *Where an account or software had been misused by others, SEBI had in other matters exonerated such entities/account holders and proceeded only against the persons who had actually carried out the trades. It relied in this regard upon the order in the matter of Zee Entertainment Enterprises Limited, where entities whose accounts were used were allegedly exonerated and the India Infoline Mule Accounts case, where only minimal penalty had been imposed on mule account holders whose accounts were allegedly misused by the main culprits;*

e. *The SCN, as such, made out no sustainable case against it. According to it, the only allegation qua Noticee no. 7 was that its clients had carried out the alleged front-running trades and qua Noticee nos. 8 to 10, the only allegation was that they were directors of Noticee no. 7;*
f. *There was no sustainable allegation of violation of the PFUTP Regulations qua it on the facts of the case. It further submitted that, in none of the earlier front-running matters where SEBI had charged traders with front-running, SCNs had been issued to brokers, even though trades could only be executed through brokers and their terminals. According to it, the mere incident of installation of a terminal could not be interlinked with any violation that a client may commit using that terminal;*
g. *ODIN software was freely available for download from the websites of multiple brokers and that the installation file could be used by any person to install the software. It submitted that the IT department of a broking company merely acted as technical support for the limited purpose of installing software that was publicly available;*
h. *It was not the case in the SCN that any of the Noticees had shared any user ID and/or password to access the said software. According to it, the IT department merely assisted in installation and therefore the mere fact of installation proved nothing and could not be used to make any allegation of fraud against the Noticee;*
i. *Even as per the ex parte order, the admitted case was that the user ID and password of some other person had been shared with the Viresh Joshi entities and that the Noticee or any of its employees or directors had no role to play in the same;*
j. *ODIN setup system was standard across brokers and could be done either by directly downloading the software or by taking technical assistance from the broker. It submitted that the client had to use his own user ID and password to access the system and place trades and that the IT department of the broker merely provided installation support;*
k. *If Viresh Joshi and his associates had misused the software and placed trades in violation of the PFUTP Regulations, such allegation could not be laid at the doorstep of the broker. According to it, if such logic were to be extended, every violation committed through a broker terminal would automatically expose the broker to liability, which would be untenable;*
l. *Even in prior matters such as Reliance Securities (Harshal Vira & Ors.), India Infoline (Mule Accounts case), Fidelity (Vaibhav Dhadda & Ors.) and Religare (Bhola Nath Dhall), SEBI had prosecuted the traders/front-runners and not the brokers through whom the trades had been executed;*
m. *In several cases where disgorgement had been ordered, the penalties imposed had been extremely minimal. It furnished a comparative table of such cases and submitted that, even if the AO were to come to the conclusion that some penalty was imposable, the same ought to be assessed keeping in mind the penalty trends in similar matters;*

Submissions of Noticee 8

n. *The allegations in the SCN were misconceived and that there was no cogent reason to impose any penalty upon him. He adopted the reply filed by Noticee no. 7 as if reproduced verbatim;*

Submissions of Noticees 9 and 10

o. *They had nothing to do with the entire allegation and that admittedly the only reason why they had been made parties was because they were directors of Noticee no. 7. According to them, there was no personal knowledge attributed to them nor was it alleged that they were in any manner involved in the alleged violation;*
p. *The very basis of the allegation against them was contrary to the judgment of the Hon'ble SAT in PG Electroplast Ltd. v. SEBI, wherein it was held that merely because persons were directors did not make them liable and that the AO had to give a specific finding that the directors were responsible for the alleged violation and were in charge of the affairs of the company;*
q. *There was not an iota of allegation against them other than that they were directors of Noticee no. 7. According to them, there were no allegations in the SCN that they were in charge of and responsible for the business of the company nor that they had any role in the alleged act;*
r. *Save and except the allegation that they were directors of Noticee no. 7, there was no other allegation against them. They therefore limited their reply to the issue of vicarious liability and adopted the contents of the reply of Noticee no. 7 as part of their own reply.*

Extracts of submissions made vide letters dated August 11, 2025 and August 12, 2025

Submissions of Noticees 7 and 9

a. *The allegation against them was that ODIN trading terminal software had been installed in the computer system of Mr. Prijesh Kurani in Dubai using AnyDesk and that IT support had also been provided to enable execution of the alleged front-running trades, thereby allegedly aiding execution of the front-running scheme. They submitted that Mrs. Shreya Marfatia (Noticee no. 9) had been proceeded against only because she was a director of Marfatia;*
b. *The allegation against them was based on the alleged WhatsApp chat between Mr. Yunus Modan, the IT officer of Marfatia and Mr. Prijesh Kurani. They submitted that the adverse findings against them were based only on surmises, conjectures, assumptions and presumptions and merely on preponderance of probabilities, thereby causing grave prejudice and harm to their clean and unblemished record;*
c. *It was submitted that due skill, care and diligence was exercised while installing the terminal software and in the conduct of their business activities and that they had never facilitated any alleged front-running activities;*

d. *Grave prejudice had been caused to them by issuance of a common SCN, since the roles, involvement and participation of the other co-noticees were distinct, different, independent and unrelated to them;*
e. *Mrs. Vilpa Vora was an authorised person (AP) of Marfatia and that Mr. Pranav Vora, being the husband of Mrs. Vilpa Vora, was managing the stock broking/AP business activity of AP-Vilpa Vora. For that reason, Mr. Yunus Modan was in contact with Mr. Pranav Vora to help him with IT-related issues and problems;*
f. *IT Department of Marfatia existed only for the purpose of providing technical support for installation of trading software and that it was nowhere involved in execution of trades by clients or authorised persons;*
g. *At the relevant time, Mr. Yunus Modan had received a phone call from Mr. Pranav Vora for installation of ODIN software and that Mr. Pranav Vora had conveyed that he had sent a request via WhatsApp from a different mobile number. It was submitted that only on the request made by Mr. Pranav Vora, Mr. Yunus had installed ODIN software via AnyDesk, in good faith, believing that the system belonged to Mr. Pranav Vora or AP-Vilpa;*
h. *During the Covid period, many requests were received from authorised persons to install ODIN software on different devices, and the same was duly installed by the IT Department via remote control access in order to avoid hardship in business activities. According to them, use of AnyDesk was for ease of convenience and was a regular practice in that period;*
i. *At the relevant time, neither Mr. Yunus nor Marfatia nor Mrs. Shreya Marfatia were aware that ODIN software had been installed in the system of Mr. Prijesh Kurani in Dubai. They submitted that they were always under the impression that the software had been installed in the system of Mr. Pranav Vora or AP-Vilpa. They further submitted that AnyDesk does not show the name of the person using the system or the location of the system;*
j. *Mr. Yunus had never shared any terminal login ID or password, and that even the WhatsApp chats relied upon by SEBI showed that the communication was restricted only to installation of ODIN software and no other information was shared;*
k. *An affidavit of Mr. Yunus Modan in support of their contention that installation was done only as technical assistance and without knowledge that the system belonged to Prijesh Kurani;*
l. *With respect to para 4.2 of the SCN, it was submitted that at no point in time had they or Mr. Yunus been aware that ODIN software was installed in the system of Mr. Prijesh Kurani in Dubai, and that they always believed that it was being installed in the system of Mr. Pranav Vora or AP-Vilpa;*
m. *With respect to paras 5.4 and 5.5 of the SCN, Noticee nos. 7 and 9 strongly denied the finding that Mr. Prijesh Kurani had communicated with Mr. Yunus for help whenever he faced technical issues regarding the software. They submitted that even the WhatsApp chat referred to by SEBI only pertained to installation and did not show any technical help being extended thereafter. They further submitted that there was no documentary evidence that Mr. Prijesh Kurani had contacted Mr.*

Yunus for technical help nor had any details of trades executed by Prijesh been shared with Mr. Yunus;

n. *Mr. Nishil Marfatia had never stated in his statement dated May 16, 2022 that ODIN software was installed on the PC/laptop of Mr. Prijesh Kurani in Dubai using AnyDesk for punching orders. According to them, Mr. Nishil had clearly stated only that Mr. Yunus had received a call from Mr. Pranav Vora to install ODIN software in his laptop / PC through remote application and that there was no mention of Mr. Prijesh Kurani;*
o. *SEBI itself had alleged that Mr. Pranav Vora shared the credentials of trading accounts with Mr. Prijesh Kurani to enable execution of front-running trades. They denied that Marfatia had knowingly facilitated installation of ODIN software on the PC/laptop of Mr. Prijesh Kurani and reiterated that they believed the software had been installed in the system of Mr. Pranav Vora or AP-Vilpa. They further submitted that no name of Mr. Prijesh Kurani was mentioned in the WhatsApp chat and that the chat only pertained to installation;*
p. *The contents and meaning of WhatsApp messages could only be proved by cross-examination and that in the absence of cross-examination such messages could not be referred to or relied upon. They contended that the present proceedings were based only on the alleged WhatsApp messages between Mr. Yunus and allegedly Mr. Prijesh Kurani;*
q. *Neither Marfatia nor Mr. Yunus was aware that the ODIN software was being installed in the system of Mr. Prijesh Kurani, no technical help was provided by Mr. Yunus to Mr. Prijesh Kurani, no agreement had been entered into with anyone, and no terminal login ID or password had been shared;*
r. *Invocation of section 27 of the SEBI Act against Noticee 9 was completely perverse and unwarranted. She submitted that the SCN had not attributed any findings with respect to her individual role, there was no whisper in the SCN regarding her individual conduct, she was only a non-executive director and did not have active participation in day-to-day affairs of the company, vicarious liability could not be automatically attributed to directors, there was no material to show that she was in charge of or responsible to the company for the conduct of business and her statement had not been recorded nor had anyone referred to her name in their statements;*
s. *Denied violation of Section 12A(a), (b), (c) of the SEBI Act and Regulations 3(a), (b), (c), (d) and 4(1) of the PFUTP Regulations. They denied that they had facilitated placement of the alleged front-running trades by Mr. Prijesh Kurani, or that they had employed any manipulative or deceptive device, any scheme or artifice to defraud, or had engaged in any act, practice or course of business operating as fraud or deceit;*
t. *Strict proof required for a serious charge of 'fraud'. According to Noticees, it is well settled law that the taint of 'fraud' cannot be attached or charged on preponderance of probability and compelling evidence should be brought on record for a person/entity to be held liable for 'fraud'. In support, they relied upon R.K. Global Shares and Securities Ltd. v. SEBI, Narendra Ganatra v. SEBI, Sterlite Industries*

(India) Ltd. v. SEBI, Parsoli Corporation Ltd. v. SEBI and Ram Sharan Yadav v. Thakur Muneshwar Nath Singh;

u. *With respect to allegation against Noticee no. 9, reliance was placed on the orders of State of Haryana v. Brij Lal Mittal, Municipal Corporation of Delhi v. Ram Kishan Rohtagi, Sayanti Sen v. SEBI, Amazan Capital Ltd., Shri Bakul Ramniklal Parekh & Ors., P.G. Electroplast Ltd. v. SEBI.*

Submissions of Noticee 8

a. *The case against Noticee 8 was only because he was a director of Marfatia, which in turn was alleged to have installed ODIN software in the system of Mr. Prijesh Kurani in Dubai and provided IT support;*
b. *He had never aided or facilitated any front-running activities and that the adverse findings against him were based only on surmises, conjectures, assumptions and presumptions;*
c. *Grave prejudice had been caused to him by the common SCN because his alleged role and involvement was totally different from that of the other co-noticees.*
d. *He had been the managing director of Marfatia since inception in 2002, but had resigned as managing director in February 2023 and was no longer associated with Marfatia in any capacity. He submitted that his present submissions were being made based on recollection of memory and earlier statements made before SEBI.*
e. *Noticee no. 8 reiterated that Mrs. Vilpa Vora was AP of Marfatia, Mr. Pranav Vora managed her AP business, Mr. Yunus was in contact with Pranav for IT-related issues, Mr. Yunus received a call from Mr. Pranav Vora for installation of ODIN software, installation was carried out only at Pranav's request and in good faith, believing that the system belonged to Pranav Vora or AP-Vilpa and neither he, nor Marfatia, nor Mr. Yunus, was aware that ODIN had allegedly been installed in the system of Prijesh Kurani at Dubai;*
f. *Mr. Yunus had never shared terminal login ID or password and that the WhatsApp communication, as relied upon by SEBI, only related to installation of ODIN and nothing more;*
g. *Para 5.4 of the SCN, which referred to screenshots allegedly showing that Mr. Yunus had helped Mr. Prijesh Kurani install ODIN and had given help in case of technical difficulty, was based on a complete misunderstanding of facts. He submitted that Mr. Yunus did not know Mr. Prijesh Kurani at all, Mr. Yunus acted only on the instructions of Mr. Pranav Vora, remote installation during Covid had been a routine practice for APs, the chat only showed that Mr. Yunus had asked for AnyDesk ID for installation and did not show anything further and no other technical help had been provided;*
h. *He had never stated in his statement dated May 16, 2022 that ODIN software was installed on the PC/laptop of Mr. Prijesh Kurani in Dubai. He stated that his statement only mentioned that Mr. Yunus had received a call from Mr. Pranav Vora to install ODIN software in his laptop/PC through remote application. He denied that Marfatia had knowingly facilitated installation of ODIN software on the*

PC/laptop of Mr. Prijesh Kurani based in Dubai. He submitted that he had always believed the software had been installed in the system of Mr. Pranav Vora or AP-Vilpa, and that even the WhatsApp chat relied upon by SEBI did not mention the name of Prijesh Kurani;

i. *He submitted that he had no connection or relation with Mr. Prijesh Kurani or any entities associated with him, he had been totally unaware that Mr. Prijesh Kurani was allegedly executing trades in his account and this had never been disclosed to him at the relevant time by Mr. Pranav Vora.;*
j. *In Pranav Vora's statement dated May 17, 2022, Pranav had admitted that Noticee no. 8 knew only that large intraday trades were being placed in his account but did not know that the orders were being placed by Prijesh Kurani. He further submitted that during cross-examination of Pranav Vora on March 06, 2024 in the parallel interim order proceedings, Pranav had admitted that Noticee no. 8 had authorized him to trade in his account, Pranav himself had placed trades in that account, Pranav knew that Prijesh Kurani was placing orders in the account, but Noticee no. 8 was unaware that Prijesh Kurani was placing orders in the account;*
k. *Noticee no. 8 relied upon paragraph 47 of the Interim Order dated February 28, 2023, which recorded that the registered owners of the trading accounts had no hand in operating those accounts when front-running trades were executed and that the accounts were lent to persons known to them. Based on this, Noticee no. 8 submitted that he had no role in executing the alleged front-running trades and was not aware that such trades were being executed by Prijesh Kurani;*
l. *Noticee 8 had no connection with Viresh Joshi, Prijesh Kurani or Sumit Desai, and therefore it could not be alleged that he had played a part in installing ODIN software in the system of Prijesh Kurani in Dubai or facilitated the alleged front-running activities;*
m. *He also submitted that WhatsApp messages could not be relied upon without cross-examination;*
n. *Marfatia/Yunus were not aware that ODIN software was being installed in the system of Prijesh Kurani, no technical help was provided by Yunus to Prijesh and no agreement had been entered into with anyone;*
o. *Noticee no. 8 submitted that invocation of section 27 of the SEBI Act against him was perverse and unwarranted. He submitted that the SCN had not attributed any finding regarding his individual role and that there was no whisper in the SCN regarding his individual conduct. He further submitted that vicarious liability could not automatically be attributed to directors and reiterated that neither he nor Marfatia nor Yunus knew that ODIN software was being installed in the system of Prijesh Kurani at Dubai;*
p. *Noticee no. 8 denied violation of section 12A(a), (b), (c) of the SEBI Act, regulations 3(a), (b), (c), (d), 4(1) of the PFUTP Regulations and section 27 of the SEBI Act. He denied that he had facilitated placement of alleged front-running trades by Mr. Prijesh Kurani;*
q. *Noticee no. 8, similar to Noticee nos. 7 and 9, relied upon R.K. Global Share and Securities Ltd. v. SEBI, Narendra Ganatra v. SEBI, Sterlite Industries (India) Ltd.*

v. SEBI, Parsoli Corporation Ltd. v. SEBI, and Ram Sharan Yadav v. Thakur Muneshwar Nath Singh to contend that a serious charge of fraud could not be proved on assumptions, conjectures or mere preponderance of probabilities. Noticee no. 8 additionally relied on Municipal Corporation of Delhi v. Ram Kishan Rohtagi to contend that no case of vicarious liability had been made out against him.

Extracts of submissions made vide letters dated August 26, 2026

Submissions of Noticees 7 and 9

a. *The allegation in the SCN was that they had installed ODIN trading terminal software in the computer system of Mr. Prijesh Kurani in Dubai using AnyDesk and had also provided IT support to enable execution of the alleged front-running trades, thereby allegedly aiding execution of the fraudulent scheme. They further submitted that the SCN against Mrs. Shreya Marfatia had been issued only because she was a director of Marfatia;*
b. *The aforesaid allegation was based only on the finding that Mr. Yunus Modan, IT officer of Marfatia, had installed ODIN software in the system of Mr. Prijesh Kurani using AnyDesk, which in turn was based on the alleged WhatsApp chat between Mr. Yunus and Mr. Prijesh Kurani;*
c. *Mrs. Vilpa Vora was an Authorised Person (AP) of Marfatia, that Mr. Pranav Vora was the husband of Mrs. Vilpa Vora and was managing the stock broking activity of AP-Vilpa Vora, and that for this reason Mr. Yunus was in contact with Mr. Pranav Vora to assist him with IT-related issues and problems;*
d. *The IT Department of Marfatia existed only for providing technical support for installation of trading software and was nowhere involved in execution of trades by clients or Authorised Persons;*
e. *At the relevant time, Mr. Yunus had received a phone call from Mr. Pranav Vora for installation of ODIN software and that Mr. Pranav Vora had conveyed that he had sent a request for installation via WhatsApp from a different mobile number;*
f. *During the Covid period, several requests were made by Authorised Persons to install ODIN software on different devices and the same was duly installed by the IT Department so as to ensure that no hardship was caused in the business activities of the clients/APs;*
g. *Only on the request of Mr. Pranav Vora, Mr. Yunus had installed ODIN software through AnyDesk in good faith, believing that the system on which the software was being installed belonged to Mr. Pranav Vora or AP-Vilpa Vora;*
h. *At the relevant time, neither Mr. Yunus, nor Marfatia, nor Mrs. Shreya Marfatia were aware that ODIN software had been installed in the system of Mr. Prijesh Kurani in Dubai. They submitted that they were always under the impression that ODIN had been installed in the system of Mr. Pranav Vora or AP-Vilpa Vora, and that AnyDesk does not display the name of the person using the system or its location;*

i. *Mr. Yunus had never shared any terminal login ID, password or login credentials, and that even the WhatsApp chats relied upon by SEBI showed that the communication was restricted only to installation of ODIN software and that no other information was shared;*
j. *Noticee nos. 7 and 9 denied the alleged finding that Mr. Prijesh Kurani had communicated with Mr. Yunus for help whenever he faced technical issues regarding the installed software. They submitted that the WhatsApp chat relied upon by SEBI only pertained to installation and not otherwise, there was no documentary evidence to show that Mr. Prijesh Kurani had contacted Mr. Yunus for technical help, no details of trades executed by Mr. Prijesh Kurani had been shared with Mr. Yunus and even the mobile number of Mr. Yunus was not saved in the WhatsApp chat referred to by SEBI.*
k. *Mr. Nishil Marfatia had never stated in his statement dated May 16, 2022 that ODIN software had been installed on the PC/laptop of Mr. Prijesh Kurani in Dubai using AnyDesk for punching orders. According to them, his statement only recorded that Mr. Yunus had received a call from Mr. Pranav Vora to install ODIN software in his laptop / PC through remote application, and there was no mention of the name of Mr. Prijesh Kurani;*
l. *SEBI itself had stated in the SCN that Mr. Pranav Vora shared the credentials of trading accounts with Mr. Prijesh Kurani to enable execution of front-running trades. In view thereof, they submitted that it could not be alleged that they had facilitated placement of trades by Mr. Prijesh Kurani, or had shared any details with him, or had provided IT/technical support to him to execute the alleged front-running scheme;*
m. *They had no connection with Mr. Viresh Joshi, Mr. Sumit Desai or Mr. Prijesh Kurani, and that the same was also not alleged in the SCN or otherwise;*
n. *They submitted that, unlike Woodstock they were not aware that the ODIN software was being installed in the system of Mr. Prijesh Kurani allegedly based in Dubai, no technical help had been provided by Mr. Yunus to Mr. Prijesh Kurani, they had not entered into any agreement with anyone and no terminal login ID or password had been shared;*
o. *On the allegation against Mrs. Shreya Marfatia, Noticee nos. 7 and 9 submitted that the SCN had not attributed any findings regarding her individual role and was completely silent on the reason for roping her into the proceedings. They further submitted that Mrs. Shreya Marfatia was only a non-executive director and did not have any active participation in the day-to-day affairs of the company. They submitted that vicarious liability could not automatically be attributed to directors, and that regulatory violations primarily rested with the company unless there was clear evidence of direct involvement, wilful misconduct or negligence on the part of the director;*
p. *With respect to section 27 of the SEBI Act, Noticee nos. 7 and 9 submitted that Mrs. Shreya Marfatia was not in charge of or responsible for the conduct of the business of the company, she was not involved in the day-to-day operations of the company and therefore, section 27 was not applicable to her;*

q. *Noticee no. 7 further submitted that it had carried out proper due diligence with respect to trades carried out through Marfatia. It submitted that whenever required, it had sent emails to clients seeking justifications and rationale for suspicious trades;*
r. *In this regard, Noticee no. 7 specifically submitted that during the investigation period, it had written to Mr. Bhavin A. Shah seeking clarification/rationale for certain trades considered suspicious, and upon not receiving satisfactory explanation, the trading code of Mr. Bhavin A. Shah had been frozen and he was no longer allowed to place trades through Marfatia;*
s. *Noticee nos. 7 and 9 further relied upon the final order dated July 24, 2026 passed in the connected front-running matter and referred specifically to paragraphs 85 and 184 thereof. Based on the same, they submitted that the investigation had not brought any evidence that the account owners of the Marfatia Group or Visa Capital Partners were based in Dubai or working from Dubai, no material showed that those noticees had any contact with Mr. Viresh Joshi and the final order itself recorded that Mr. Sumit Desai and Mr. Pranav Vora arranged the mule accounts, shared login credentials of broker terminals and facilitated transfer of funds, while Mr. Vaibhav provided logistical support;*
t. *From the above, Noticee nos. 7 and 9 submitted that they had never shared login credentials of broker terminals with Mr. Prijesh Kurani and that all login credentials had been shared by Mr. Pranav Vora and Mr. Sumit Desai, while logistical support had been provided by Mr. Vaibhav;*

<u>Submissions of Noticee 8</u>

a. *The allegation in the SCN against him was that, being a director of Marfatia, he was responsible and liable for the actions of Marfatia, which had allegedly installed ODIN software in the computer system of Mr. Prijesh Kurani in Dubai and provided IT support to enable execution of the alleged front-running trades;*
b. *The allegation was based only on the finding that Mr. Yunus Modan, IT officer of Marfatia, had installed ODIN software in the systems of Mr. Prijesh Kurani using AnyDesk, which in turn was based on the alleged WhatsApp chat between Mr. Yunus and Mr. Prijesh Kurani;*
c. *Noticee no. 8 reiterated that Mrs. Vilpa Vora was Authorised Person of Marfatia, Mr. Pranav Vora was her husband and was managing the stock broking activity of AP-Vilpa Vora and for this reason Mr. Yunus was in contact with Mr. Pranav Vora for IT-related issues / problems, the IT department of Marfatia existed only for installation support and was not involved in execution of trades, only on the request of Mr. Pranav Vora, Mr. Yunus installed ODIN software via AnyDesk in good faith and he, Marfatia and Yunus were all under the impression that the software had been installed in the system of Mr. Pranav Vora or AP-Vilpa Vora;*
d. *Neither he, nor Marfatia, nor Yunus were aware that the ODIN software had been installed in the system of Mr. Prijesh Kurani in Dubai, and that AnyDesk does not display the name of the person using the system or the location where the system is located;*

e. *Mr. Yunus had never shared terminal login ID, password or login credentials, and that the WhatsApp chat relied upon by SEBI only pertained to installation of ODIN software and nothing else;*
f. *Noticee no. 8 strongly denied the finding that Mr. Prijesh Kurani had communicated with Mr. Yunus for help whenever he faced technical issues regarding the software. He submitted that the WhatsApp chat only pertained to installation, there was no documentary evidence of any technical help being provided by Mr. Yunus, no trade details of Mr. Prijesh Kurani had been shared with Mr. Yunus and the mobile number of Mr. Yunus was not saved in the WhatsApp chat referred to by SEBI;*
g. *He had never stated in his statement dated May 16, 2022 that ODIN software had been installed on the PC/laptop of Mr. Prijesh Kurani in Dubai and that his statement only referred to a call from Mr. Pranav Vora for installation of ODIN software in his laptop/PC through remote application;*
h. *SEBI itself had stated in the SCN that Mr. Pranav Vora shared the credentials of trading accounts with Mr. Prijesh Kurani to enable execution of front-running trades. On that basis, he submitted that it could not be alleged that he had facilitated placement of trades by Mr. Prijesh Kurani or had shared any details with him or provided any IT/technical support to him;*
i. *He had been totally unaware that Mr. Prijesh Kurani was allegedly executing trades in his account and that this fact had never been disclosed to him by Mr. Pranav Vora at the relevant time;*
j. *He had no connection with Mr. Viresh Joshi, Mr. Sumit Desai or Mr. Prijesh Kurani, and that the same was also not alleged in the SCN or otherwise. He therefore submitted that it could not be alleged that he had played any part in installing ODIN software in the system of Mr. Prijesh Kurani in Dubai or in facilitating the alleged front-running activities;*
k. *Grave prejudice had been caused to him as he and Marfatia were being treated with the same brush as Woodstock Broking Pvt. Ltd., though unlike Woodstock neither he, nor Marfatia, nor Yunus were aware that the ODIN software was being installed in the system of Mr. Prijesh Kurani, no technical help had been provided by Yunus to Prijesh Kurani, no agreement had been entered into with anyone and no terminal login ID or password had been shared;*
l. *With respect to section 27, Noticee no. 8 submitted that the SCN had not attributed any finding regarding his individual role and was completely silent on the reason for roping him in. He further submitted that vicarious liability could not automatically be attributed to directors in the absence of clear evidence of direct involvement, wilful misconduct or negligence;*
m. *Noticee no. 8 further relied upon the final order dated July 24, 2026 in the connected front-running proceedings and referred to paragraphs 7, 85, 172, 174 and 184 thereof. Based on those paragraphs, he submitted that the demat accounts of Mr. Nishil Marfatia, Olga Trading Pvt. Ltd., Mr. Bhavin Shah, Ms. Rupal Shah and Visa Capital Partners were treated as mule accounts used by Mr. Viresh and Mr. Prijesh, no evidence had been brought on record that those demat account owners were based in Dubai or had any contact with Mr. Viresh Joshi and the final*

order recorded that Mr. Sumit and Mr. Pranav arranged the mule accounts, shared login credentials of broker terminals and facilitated transfer of funds, while Mr. Vaibhav provided logistical support. From the aforesaid, it was submitted that he had never shared login credentials of broker terminals with Mr. Prijesh Kurani, that all login credentials were shared by Mr. Pranav Vora and Mr. Sumit Desai and that logistical support had been provided by Mr. Vaibhav;

n. *The final order had already taken cognizance of the fact that he was in control of Marfatia and that, for that reason, a stricter view had already been taken with respect to directions and penalty in the final order. He therefore submitted that no adverse inference should be drawn against him in the present proceedings;*
o. *Noticee no. 8 submitted that he was aggrieved by the final order dated July 24, 2026 and was in the process of filing an appeal before the Hon'ble Securities Appellate Tribunal. Further vide email dated September 03, 2029, Noticee 8 submitted that he had duly filed the appeal before the Hon'ble Securities Appellate Tribunal on August 31, 2026.*

CONSIDERATION OF ISSUES AND FINDINGS

11. Before dealing with the issues involved, I would like to address the submission made on behalf of Noticee 10 by his son (Noticee 8). It was submitted that Noticee 10 had deceased on October 25, 2024. Further, a notarized copy of the Noticee's death certificate was also submitted. As per the death certificate issued by Department of Health and Family Welfare, Government of Gujarat, the Noticee 10 was passed away on October 25, 2024.

12. In this regard, it would be in the fitness of things to first decide as to whether on the death of the Noticee 10, the present adjudication proceedings against him would continue or abate.

13. In this context, I note that in the matter of *Girijanandini Devi v. Bijendra Narain Choudhary* (AIR 1967 SC 1124), the Hon'ble Supreme Court held that in case of personal actions, i.e., the actions where the relief sought is personal to the deceased, the right to sue will not survive to or against the representatives and in such cases the maxim *actio personalis moritur cum persona* (personal action dies with the death of the person) would apply. It is also relevant to refer to the decision of Hon'ble Securities Appellate Tribunal in *Chandravadan J. Dalal v. SEBI* (Appeal No. 35/2004 decided on June 15, 2005) wherein it was held that: *"The appeal abates since the appellant during*

the pendency of the appeal died on 29th November 2004. The appeal accordingly abates. The penalty imposed on the original appellant being personal in nature also abates."

14. In view of the foregoing, I am of the view that the instant adjudication proceedings against the Noticee 10 are liable to be abated without going into the merits of the case qua him and the SCN dated October 31, 2023 issued against him is disposed of accordingly.

15. Before proceeding further, I would also like to deal with the preliminary issues raised by Noticees 1 to 6.

16. Noticees 1 to 6 have contended that there has been inordinate delay in the conclusion of the present proceedings. In this regard, they have submitted that they had already filed their original reply to the SCN on December 01, 2023, attended the personal hearing before the erstwhile AO on January 09, 2024 and filed further submissions on January 19, 2024. They have further submitted that although the undersigned was appointed on April 08, 2025, the hearing notice was issued only on July 27, 2026, i.e., on the very next working day after passing of the final order dated July 24, 2026 by the quasi-judicial authority in the connected proceedings, thereby resulting in substantial delay in the conclusion of the present proceedings. According to them, such delay has caused severe detriment to Noticees 1 to 6 and therefore, the proceedings ought to be dropped.

17. In this regard, from the material available on record, it is noted that the present proceedings were initiated against the Noticees vide SCN dated October 31, 2023, which was issued by the erstwhile AO. The Noticees had submitted their replies and the hearing was also conducted before the erstwhile AO. Pursuant to the superannuation of the erstwhile AO, the undersigned was appointed as AO in the captioned matter vide communiqué dated April 08, 2025. It is noted that the allegation in the present proceedings is that Noticees 1 and 7 (stock brokers), aided in the

execution of the front running scheme by enabling the use of their ODIN terminals by the front runner from Dubai and by rendering IT/technical support and that the remaining Noticees, being directors of the said entities, were also liable. It is further noted that proceedings under sections 11 and 11B of the SEBI Act had been initiated against the entities involved in the front running scheme and the same remained pending before the quasi-judicial authority until July 24, 2026, when the final order came to be passed (hereinafter referred to as "**connected section 11B proceedings**" / "**connected final order**").

18. Given the nature of the alleged violations, the determination of liability in the present proceedings hinges on the findings in the connected section 11B proceedings. Unless there was a conclusive finding in the connected section 11B proceedings regarding the existence and execution of the front running activity, the question arising in the present proceedings, namely, whether the broker entities and their directors facilitated such activity or failed in their obligations, could not have been as effectively or appropriately adjudicated. In this regard, reference is drawn to the following rulings of the Hon'ble SAT:

    a. In the matter of *Reliance Industries Limited vs. SEBI* (Appeal No. 87 of 2021 decided on December 04, 2023), the Hon'ble SAT, *inter alia*, held that:
    "*103. The AO has rejected the contention of the appellants holding that there is no delay on the ground that SEBI had taken an internal decision to await the Section 11B proceedings against RIL and its agents before taking further action in the matter…..*
    104. In our opinion, the appropriate procedure would have been for SEBI to initiate adjudication proceedings simultaneously with the 11B proceedings and, thereafter, could have kept the adjudication proceedings in abeyance."

    b. In the matter of *Krishna Enterprises vs. SEBI* (Appeal No. 131 of 2015 decided on April 20, 2016), the Hon'ble SAT, *inter alia*, held that:
    "…. Passing conflicting orders would not promote the development of the securities market and would not be in the interests of the securities market."

19. Therefore, in the interest of justice and in order to avoid premature findings, the present proceedings were kept in abeyance pending the outcome of the connected section 11B proceedings so as to enable a more informed determination of the issues

arising herein. Upon the passing of the final order dated July 24, 2026 in the connected section 11B proceedings, hearing notices dated July 27, 2026 were issued to the Noticees and they were also afforded an opportunity to file further submissions, if any. The Noticees have, in fact, filed additional submissions and have also availed the opportunity of hearing. Thus, sufficient opportunity was provided to the Noticees to contest the allegations levelled against them and the same was duly availed by them. Further, the Noticees have failed to demonstrate any specific prejudice caused to them by the present proceedings having been kept in abeyance till the outcome of the connected section 11B proceedings. In view of the above, the contention of Noticees 1 to 6 regarding substantial delay in the conclusion of the present proceedings is not tenable.

20. The Noticees 1 to 6 have next contended that the present SCN must be adjudicated strictly on its own merits and without being influenced by the findings recorded in the connected final order dated July 24, 2026 passed in the Axis Mutual Fund matter. They submitted that the present proceedings are limited to allegations contained in the SCN against Noticees 1 to 6 and must therefore be independently decided.

21. This contention, though correct to the extent that the present proceedings require independent adjudication, cannot be accepted in the broad manner suggested by the Noticees. The connected final order arises from the same investigation, the same front running scheme and the same evidentiary matrix. It is therefore a relevant and material adjudicatory record which cannot be ignored. The same is not being treated as a substitute for the present findings, but it is certainly a connected and persuasive piece of material, especially where it examines the role of the front runners, the use of broker terminals and the operational chain through which the impugned trades were executed. Moreover, the Noticees themselves have selectively relied upon portions of the said final order in support of their case. For example, they had relied upon the observations in the connected order to contend that they had no direct contact with Mr. Viresh Joshi, that the login credentials were allegedly shared by other persons and that the account holders themselves were not based in Dubai. They cannot at once place reliance upon

some observations therein and simultaneously insist that the rest of the order be completely disregarded. Accordingly, the connected final order may legitimately be read along with the material on record, while still independently assessing the liability of the present Noticees.

22. I shall now proceed to deal with the issues involved on merits for the Noticees 1 to 9.

23. After careful perusal of the material on record, I note that the issues that arise for consideration in the present case are as follows:

I. Whether Noticees 1 and 7 aided in the execution of front running scheme by enabling the use of their ODIN terminals by the front runner from Dubai and by rendering IT/technical support and thereby, violated the provisions of section 12A(a), (b), (c) of the SEBI Act and regulations 3(a), (b), (c), (d) and 4(1) of the PFUTP Regulations?

II. Whether Noticees 2 to 6, being directors of Noticee 1 and Noticees 8 to 9, being directors of Noticee 7, were responsible and liable for the actions of Noticees 1 and 7, respectively and thereby, violated the provisions of section 12A(a), (b), (c) of the SEBI Act and regulations 3(a), (b), (c), (d) and 4(1) of the PFUTP Regulations read with section 27 of the SEBI Act?

III. Does the violation, if any, on the part of Noticees attract monetary penalty under section 15HA of the SEBI Act?

IV. If so, what would be the quantum of monetary penalty that can be imposed on Noticees after taking into consideration the factors stipulated in section 15J of the SEBI Act?

24. Before proceeding further, it is pertinent to refer the relevant provisions of law, allegedly violated by Noticees. The same are reproduced as under:

SEBI Act

"***Prohibition of manipulative and deceptive devices, insider trading and substantial acquisition of securities or control.***
12A. *No person shall directly or indirectly—*

(a) use or employ, in connection with the issue, purchase or sale of any securities listed or proposed to be listed on a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of this Act or the rules or the regulations made thereunder;
(b) employ any device, scheme or artifice to defraud in connection with issue or dealing in securities which are listed or proposed to be listed on a recognised stock exchange;
(c) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person, in connection with the issue, dealing in securities which are listed or proposed to be listed on a recognised stock exchange, in contravention of the provisions of this Act or the rules or the regulations made thereunder;"

*"**Contravention by companies.***
***27.** (1) Where a contravention of any of the provisions of this Act or any rule, regulation, direction or order made thereunder has been committed by a company, every person who at the time the contravention was committed was in charge of, and was responsible to, the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the contravention and shall be liable to be proceeded against and punished accordingly:*
Provided that nothing contained in this sub-section shall render any such person liable to any punishment provided in this Act, if he proves that the contravention was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such contravention.
(2) Notwithstanding anything contained in sub-section (1), where an contravention under this Act has been committed by a company and it is proved that the contravention has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of the contravention and shall be liable to be proceeded against and punished accordingly.
Explanation : For the purposes of this section,—
(a) "company" means any body corporate and includes a firm or other association of individuals; and
(b) "director", in relation to a firm, means a partner in the firm."

PFUTP Regulations

*"**3. Prohibition of certain dealings in securities***
No person shall directly or indirectly—
(a) buy, sell or otherwise deal in securities in a fraudulent manner;
(b) use or employ, in connection with issue, purchase or sale of any security listed or proposed to be listed in a recognized stock exchange, any manipulative or deceptive

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

*"**4. Prohibition of manipulative, fraudulent and unfair trade practices***
(1) Without prejudice to the provisions of regulation 3, no person shall indulge in a manipulative, fraudulent or an unfair trade practice in securities markets.
Explanation.– For the removal of doubts, it is clarified that 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."

Issue I: Whether Noticees 1 and 7 aided in the execution of front running scheme by enabling the use of their ODIN terminals by the front runner from Dubai and by rendering IT/technical support and thereby, violated the provisions of section 12A(a), (b), (c) of the SEBI Act and regulations 3(a), (b), (c), (d) and 4(1) of the PFUTP Regulations?

25. Before adverting to the merits of the allegation against the Noticees, it is necessary to clarify that the allegation in the present adjudication proceedings is confined to examining whether Noticee no. 1 and Noticee no. 7, being SEBI registered stock brokers, had facilitated the use of their trading terminal software (ODIN) on the computer systems used by Mr. Prijesh Kurani in Dubai and provided IT support for operation of such terminals, thereby aiding or facilitating execution of the front-running trades/orders and whether, by such conduct, they violated section 12A(a), (b) and (c) of the SEBI Act and regulations 3(a), (b), (c), (d) and 4(1) of the PFUTP Regulations.

26. It is clarified that the present proceedings are not for adjudication of the substantive allegation of front-running against the principal entities, which was the subject matter of separate proceedings culminating in the connected final order dated July 24, 2026 passed under sections 11(1), 11(4), 11(4A), 11B(1) and 11B(2) of the SEBI Act in the matter of front running of the trades of Axis Mutual Fund. However, to the extent findings recorded therein are relevant to appreciate the role attributed in the present proceedings, reference may be made thereto.

27. Before proceeding further, it is also necessary to note that in the connected final order dated July 24, 2026 in the same Axis Mutual Fund matter, it has already been found, after detailed analysis, that Mr. Viresh Joshi had shared non-public information about impending orders of the Big Client to Mr. Prijesh Kurani and that Mr. Prijesh Kurani had placed front running trades in multiple trading accounts, including that of Nishil Marfatia (Noticee 8), Olga Trading Pvt. Ltd., Bhavin Shah, Rupal Shah and Visa Capital Partners (Noticee 2 was a partner in this entity). The said order further recorded that Mr. Prijesh used ODIN terminals provided by Noticees 1 and 7 to place orders from Dubai.

28. The aforesaid connected final order is not being treated as a substitute for findings in the present adjudication. However, since it arises from the same investigation, involves the same factual matrix and contains detailed examination of the evidence concerning use of broker terminals by Mr. Prijesh Kurani, it is a highly relevant piece of material and can legitimately be considered along with the record in the present case. I note that Noticee 8 had challenged the said order in Hon'ble SAT (Appeal No. 285 of 2026). However, there is no stay on the said order. Therefore, the findings made in the said order is in force as on date.

29. At this stage, I propose to first deal with the case of Noticee no. 1 – Woodstock Broking Pvt. Ltd.

Woodstock Broking Pvt. Ltd. (Noticee 1)

30. Insofar as Noticee 1 is concerned, the material available on record, read with the connected final order, shows the following:

(a.) the admitted fact that Visa Capital Partners (VCP), in which Noticee no. 2 was a partner, had provided its trading account maintained with Noticee 1 to Mr. Darshan Desai on a profit-sharing arrangement;

(b.) Mr. Suresh Jajoo (Noticee 2), director of Noticee 1, in his statement dated May 16, 2022 stated that he had given instructions to Mr. Kunal Dalal, IT Head of Noticee 1, to give trading terminal access to Mr. Darshan Desai;

(c.) Mr. Kunal stated that he had provided access through AnyDesk[1] to facilitate installation of ODIN software on Mr. "Brijesh's" system. The connected order dated July 24, 2026 clarified that "Brijesh" was evidently a reference to Mr. Prijesh, since Mr. Prijesh admittedly placed orders in all the relevant front runner accounts;

(d.) Mr. Kunal further stated that he knew that the ODIN terminal was installed on the system of Mr. Brijesh (referring to Mr. Prijesh) and that he is residing in Dubai;

(e.) WhatsApp chats reflected communications between Mr. Kunal Dalal and Mr. Prijesh, including request for AnyDesk ID and sharing of AnyDesk credentials.

Consideration of contentions raised by Noticees 1 to 6

31. Noticees 1 to 6 have submitted that Noticee 1 was merely a stock broker and that its role was confined to providing routine brokerage services to its client Visa Capital Partners (VCP). It was submitted that, other than routing orders of VCP through Noticee 1 as a broker, it had no connection with the alleged front-running. It was further submitted that there was no allegation that Noticee no. 1 itself had traded, possessed any non-public information or was directly involved in the alleged front-running scheme.

32. In this regard, it is pertinent to note that the allegation against Noticee no. 1 is not that it was the information carrier or that it executed front-running trades in its proprietary

[1] *AnyDesk is a remote desktop software that lets you access and control a device from another computer or mobile phone over the internet.*

account. The allegation is of facilitation. Therefore, the question is not whether Noticee no. 1 itself front-run the trades but whether it knowingly or negligently enabled the use of its trading infrastructure by a third person, namely Mr. Prijesh Kurani, from Dubai, for execution of the impugned trades. In this context, the material on record shows that:

(a.) the trading account of VCP (FR 5) was maintained with Noticee no. 1;

(b.) the terminal software ODIN of Noticee no. 1 was installed for operation outside the ordinary client location;

(c.) the said terminal was used from Dubai;

(d.) and IT support was provided by the personnel of Noticee no. 1 for continuation of such access.

33. Thus, the argument that Noticee no. 1 was "only a broker" does not answer the core allegation that its broker infrastructure and terminal access were made available and operationally supported for trades which, as per the investigation, formed part of the front-running activity. A registered stock broker is not a passive bystander when its terminal access is enabled and technically maintained for use by a person who is not its authorised dealer/authorised person. The very fact situation goes beyond routine broking service.

34. Further, in the connected final order dated July 24, 2026, it has been specifically noted that Mr. Kunal Dalal, IT support of Woodstock Broking Pvt. Ltd., had given trading terminal access to Mr. Prijesh Kurani and that the relevant MAC IDs/IP addresses showed that trades in the account of Visa Capital Partners were being placed geographically from Dubai. These findings lend support to the allegation of infrastructural facilitation by Noticee No. 1.

35. Accordingly, the contention of Noticee No. 1 that it was merely acting as an ordinary broker and had no connection with the impugned activity is rejected.

36. It was further submitted that the terminal/credentials had only been shared with Mr. Darshan Desai under a commercial profit-sharing arrangement with VCP and that

Noticees were under a bona fide impression that Mr. Darshan Desai himself was operating the terminal or that any other person was his employee.

37. This contention seeks to shift the focus from the actual use of the terminal to the ostensible arrangement between VCP and Darshan Desai. In my view, this argument does not answer the core allegation. First, even on Noticee no. 1's own showing, terminal access was granted for use by a person other than the registered client in a profit-sharing arrangement. Such an arrangement, by its very nature, called for heightened caution on the part of a SEBI-registered intermediary. A broker cannot remain entirely indifferent to who is actually operating its terminal access, particularly when the operational support is being extended by its own IT staff. Second, the connected final order noted that no evidence was found to show that VCP was based in Dubai or working from Dubai, whereas the technical evidence pointed to the trades being placed from Dubai. Thus, the "Darshan Desai arrangement" does not explain the crucial fact as to how terminal access linked to Noticee No. 1 came to be used from Dubai by a person other than the ostensible user. Third, the argument of bona fide belief cannot be examined in isolation from objective facts. Participation in a fraudulent scheme through enabling acts can also attract liability under PFUTP Regulations if the surrounding material shows knowing assistance or conduct from which involvement in the fraud can reasonably be inferred. Therefore, the plea that it only understood the arrangement to be with Darshan Desai does not, by itself, exculpate Noticee no. 1.

38. Noticees further submitted that they had no knowledge that Mr. Prijesh Kurani was operating the terminal and that ODIN was installed only on the request of Mr. Darshan Desai. This contention must be weighed against the evidence noted in the SCN and the connected final order. The SCN specifically referred to WhatsApp chats between Prijesh Kurani and Kunal Dalal, the IT officer of Noticee no. 1, regarding installation of ODIN through AnyDesk and assistance whenever technical issues arose. It was relied upon as a specific circumstance showing operational facilitation. Further, Mr. Kunal in his statement admitted that, as IT support of Noticee No. 1, he had given terminal

access to Prijesh and the connected final order also noted this fact. In such circumstances, the assertion that Noticee No. 1 had no knowledge that Mr. Prijesh Kurani was operating the terminal becomes difficult to sustain. A broker acts through its personnel. When its own IT support functionary installs software and enabled access to the very person who is alleged to have used the terminal from Dubai, that knowledge cannot be conveniently separated away from the broker. Accordingly, I find that the defense of complete ignorance regarding Prijesh Kurani's use of the terminal is not borne out by the record.

39. It was also contended that there was no allegation that mere lending of a terminal violated securities laws and that, at the highest, the conduct, if any, could amount only to negligence or unauthorized terminal use, for which the NSE circular contemplated a minor penalty. In this regard, firstly, the SCN did not proceed on the basis of "mere lending" of a terminal in the abstract. The allegation was that the terminal access of Noticee No. 1 was installed/facilitated on the computer system used by Mr. Prijesh Kurani in Dubai and that IT support was extended to enable execution of the fraudulent front-run trades. The alleged violation, therefore, was not a standalone exchange-compliance lapse but facilitation of a fraudulent trading scheme.

40. Second, the existence of an exchange circular prescribing a penalty for unauthorized terminal use does not cover the issue. The same act or set of acts may, depending on the surrounding facts, amount to both a procedural non-compliance and a fraudulent facilitative act under the SEBI Act/PFUTP Regulations. The characterization turns on context, intent and effect. Where the terminal access is used as the vehicle for execution of trades forming part of a front-running arrangement, the matter cannot be reduced to a mere exchange-bylaw irregularity.

41. Third, the Noticees' attempt to classify the conduct as mere negligence does not by itself answer the PFUTP allegation. Fraud under the PFUTP framework is determined from the overall pattern of conduct and surrounding circumstances, assessed on the touchstone of preponderance of probabilities. In the present matter, the surrounding

circumstances included installation through AnyDesk, IT support, access from Dubai, common MAC/IP evidence and use of the VCP account (in which Noticee 2, director of Noticee 1, was a partner) as part of the impugned trading pattern reflected in the connected final order.

42. Therefore, the plea that the case amounted, at worst, to unauthorized terminal use cannot be accepted.

43. It was also contended that Mr. Darshan Desai was the connecting link but he had not been made a noticee in the present proceedings or in the connected section 11B proceedings and therefore the "chain" stood broken. Noticees have also relied on the orders of Hon'ble SAT in the matter of Manish Suresh Joshi v. SEBI[2] and Kaushik Rajnikant Mehta v. SEBI[3].

44. However, the applicability of such reasoning depends on the factual framework of the case. Here, the allegation against Noticee No. 1 was not dependent solely on inferential linkage through Mr. Darshan Desai. The record referred to direct technical interaction between the IT functionary of Noticee No. 1 and Mr. Prijesh Kurani, along with technical evidence showing terminal operation from Dubai. Thus, the role attributed to Noticee No. 1 did not stand or fall only on whether Mr. Darshan Desai was made a party. The evidence, as alleged, had an independent axis. Moreover, PFUTP liability is not defeated merely because every alleged participant in a scheme is not proceeded against simultaneously or in the same forum. What must be examined is whether the material against the Noticee before the authority is sufficient to sustain the allegation. In this context, I would like to place reliance on the observations made by the Hon'ble SAT in the matter of *Systematix Shares & Stocks (India) Limited v. SEBI*[4], wherein it was, *inter alia*, held that:

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[2] *Appeal No. 02 of 2020 dated January 13, 2020*
[3] *Appeal No. 76 of 2019 dated May 05, 2021*
[4] *Appeal No. 21 of 2012 dated April 23, 2012.*

"...It is true that the Board has taken action selectively against a few entities involved in the alleged wrong doing. According to the appellant the Board should have proceeded against all wrong doers and the action against the appellant and a few entities alone is also discriminatory. We cannot subscribe to this view since the Board has set its own benchmark in selecting cases for action and, in any case, the appellant cannot plead himself innocent or his trades as lawful."

45. I would also like to place reliance on the judgment of Hon'ble Supreme Court in the matter of *Kotak Mahindra Asset Management Company Limited v. SEBI*[5], wherein it was, *inter alia*, held that:

"This contention must be and is rejected in its entirety, as has been rightly done by the WTM and the TRIBUNAL. Apart from the established principle that negative equality cannot be claimed, there is ex facie violation of the 1996 Regulations. KOTAK AMC can neither seek shelter under the alleged violations of others to justify its own breach nor would existence of other violations, if at all, absolve KOTAK AMC of its own liability……"

46. With regard to the reliance placed by the Noticees on the decisions in *Manish Suresh Joshi v. SEBI* and *Kaushik Rajnikant Mehta v. SEBI*, it is noted that the said decisions were rendered in materially different factual and legal contexts and did not assist Noticee no. 1 in the facts of the present case. In Manish Suresh Joshi, the finding against the appellant had been founded solely on an inferential connection. The AO had proceeded on the basis that the appellant was connected with Narendra Prabodh Ganatra, who in turn was connected with the Pabari-Parikh Group of 28 entities and it was only through such chain of connection that the appellant was alleged to be connected with the counterparty entities. However, in that case, proceedings against Ganatra had already been dropped and he had been exonerated of the allegation of violation of regulations 3 and 4 of the PFUTP Regulations. Therefore, the Hon'ble SAT held that once Ganatra stood exonerated, the only connecting link between the appellant and the PPG entities stood snapped and there remained no independent evidence to show that the appellant was directly or indirectly connected with the PPG entities. Similarly, in Kaushik Rajnikant Mehta, the allegations pertained to synchronised trades, reversal trades and self-trades, where proof of connection with

[5]*Order dated July 13, 2026 in Civil Appeal Nos. 6529, 4681 and 6527 of 2026*

the relevant counterparty entities was central to the allegation. In that case, the Hon'ble SAT found fault with the impugned order, *inter alia*, on the ground that the AO had relied upon a connection matrix involving 56 entities, whereas the show cause notice had been issued only to 35 entities and that if one of the entities who was not charged in the show cause notice formed a necessary link for synchronised trading, the allegation could not be proved in that manner. Thus, in both the said cases, the allegation rested essentially on proving trading connection/connivance with counterparties and the failure of such connecting link was held fatal.

47. However, the present matter stands on an entirely different footing. Firstly, unlike the aforesaid cases, the present matter is neither concerned with Noticee no. 1's own trading conduct nor there is allegation of synchronised trading, reversal trading, self-trading or manipulative trading by Noticee no. 1 as a trader. The allegation against Noticee no. 1 was of facilitation, that it had aided execution of the impugned front-running trades by enabling installation and operation of ODIN terminal access on the system used by Mr. Prijesh Kurani in Dubai and by providing IT support for operation of such access. Secondly, the allegation against Noticee no. 1 was not based merely on an inferential connection through Darshan Desai. Rather, the case against Noticee no. 1 was founded on independent material and specific acts directly attributed to it, as follows:

(a.) the admitted fact that VCP, in which Noticee no. 2 was a partner, had provided its trading account maintained with Noticee 1 to Mr. Darshan Desai on a profit-sharing arrangement;

(b.) that the ODIN terminal of Noticee no. 1 was installed/facilitated on the system used by Mr. Prijesh Kurani in Dubai;

(c.) that IT support was provided by the IT personnel of Noticee no. 1;

(d.) that the relevant WhatsApp chats allegedly showed communication between Prijesh Kurani and Kunal Dalal, IT officer of Noticee no. 1, regarding installation/operation of ODIN through AnyDesk; and

(e.)that the technical evidence, including IP address and MAC ID analysis, pointed to use of such terminal access from Dubai.

48. Hence, the ratio of the aforesaid decisions is not applicable to the facts of the present case.

49. In view of the foregoing, I do not accept the argument that the case against Noticee no. 1 cannot be sustain because Mr. Darshan Desai was not arrayed as a Noticee in the present proceedings or in the connected section 11B proceedings.

50. It was also contended that there was no material to show that Noticee No. 1 had any contact or nexus with Viresh Joshi, Sumit Desai or the substantive front-running arrangement and therefore no knowledge or mens rea could be attributed to it.

51. However, in the present case, to establish the liability alleged in the SCN against Noticee no. 1, it is not necessary to show that Noticee no. 1 was itself the source, recipient or onward transmitter of non-public information from Viresh Joshi. It is sufficient if the record established that Noticee no. 1 enabled market access to a person who used that access to execute the impugned trades and that such enabling formed part of the fraudulent mechanism. The jurisprudence on PFUTP Regulations recognizes that liability may attach to participation in a fraudulent course of conduct. In the present matter, the allegation against Noticee no. 1 is not mere association. It is grounded in specific conduct, i.e., facilitating terminal installation, providing IT support and enabling access that was technologically traced to Dubai. Therefore, absence of direct evidence of contact with Viresh Joshi or Sumit Desai is not fatal to the allegations against Noticee No. 1.

52. It was also submitted that the arrangements with Darshan Desai was terminated once unusual profits were observed and that this showed bona fides. Even if the arrangement was later discontinued, it does not neutralize the conduct during the investigation period. The question under the present issue is whether during the relevant period the infrastructure and support of Noticee no. 1 were made available in

a manner that enabled the use of ODIN terminals through which front running trades were executed. If that is established, subsequent termination does not wipe out prior facilitation. Hence, the said submission does not assist Noticees in the present case.

Findings in respect of Noticee No. 1

53. Upon considering the allegations in the SCN, the submissions of Noticees 1 to 6 and the material available on record, including the relevant findings in connected final order dated July 24, 2026, I am of the view that the argument of Noticees cannot be accepted. The material against Noticee No. 1 was not limited to the fact that VCP was its client. Rather, the record referred to:

(a.) the admitted fact that Visa Capital Partners had provided its trading account maintained with Noticee 1 to Mr. Darshan Desai on a profit-sharing arrangement;

(b.) the role of Kunal Dalal, IT support of Noticee No. 1, in enabling terminal access;

(c.) chats/support relating to ODIN installation through AnyDesk;

(d.) technical evidence in the form of IP addresses and MAC IDs showing operation from Dubai;

(e.) the use of the VISA Capital Partners access (Woodstock Group) by Prijesh Kurani, who, as recorded in the connected final order, was the person communicating with Viresh Joshi and placing trades using front-runner accounts;

(f.) Noticee 2 who a director in Noticee 1 was a partner in VISA Capital Partners.

54. The Noticee's plea that it believed the arrangement to be solely with Darshan Desai, and that it lacked knowledge of Prijesh Kurani's role, does not satisfactorily explain the direct technical facilitation attributed to its own IT personnel. A registered intermediary cannot escape liability where its systems and personnel are shown to have actively enabled the conduit through which the fraudulent trades were executed. In the facts of the present case, their act was not a negligent omission rather a conscious decision to permit the use of its trading infrastructure outside the authorized framework, without proper verification of the end user. More so, the arrangement existed in a set up where the concerned person was not only a director of the broker entity but also a partner in

the client account through which the front running trades were routed and the installation/access was enabled through the broker's own IT personnel. In such circumstances, lack of knowledge cannot be accepted as a defense.

55. Accordingly, I hold that, insofar as Noticee no. 1 is concerned, the material on record established that it had facilitated installation/operation of trading terminal access on the system used by Mr. Prijesh Kurani in Dubai for executing the front run trades and had thereby aided execution of the said fraudulent trades. I therefore hold that the allegation under Issue No. I stood established against Noticee no. 1.

Marfatia Stock Broking Pvt. Ltd. (Noticee 7)

56. Insofar as Noticee no. 7 is concerned, the material available on record, read with the connected order, showed the following:

(a.) Mr. Nishil Marfatia (Noticee no. 8), director of Noticee no. 7, in his statement dated May 16, 2022, stated that Mr. Yunus Modan, IT personnel of Noticee no. 7, had facilitated installation of the trading terminal software (ODIN) on the PC/laptop used for punching orders through remote access, on the request conveyed through Mr. Pranav Vora;

(b.) the SCN alleged that Mr. Yunus Modan, IT officer of Noticee no. 7, had installed the trading terminal software (ODIN) in the system used by Mr. Prijesh Kurani in Dubai using AnyDesk and that the said installation was part of the enabling mechanism through which the impugned trades were executed;

(c.) the SCN further referred to WhatsApp chats between Mr. Yunus Modan and Mr. Prijesh Kurani regarding installation of ODIN through AnyDesk, which were relied upon to indicate remote installation/facilitation of the terminal access by the IT personnel of Noticee no. 7;

(d.) though the public IP addresses in respect of Marfatia-side access were not captured in the database, the investigation recorded that common MAC IDs were found in relation to the front-running trades routed through Marfatia and Woodstock and this was relied upon in the SCN to indicate that the orders routed through both stock brokers were executed from the same computer systems;

Consideration of contentions raised by Noticees 7 to 9

57. Noticee no. 7 submitted that the allegation against it was misconceived and that the entire case revolved around Mr. Viresh Joshi and his associates, who allegedly front-run the trades of Axis Mutual Fund. It was submitted that there was no direct connection alleged between Noticee no. 7 and Mr. Viresh Joshi or Mr. Sumit Desai or Mr. Prijesh Kurani and that, apart from installation of software on one of the client's systems at the insistence of its registered AP, there was no allegation against Noticee no. 7. It further relied on the connected final order dated July 24, 2026 in the connected front-running proceedings to submit that no material showed that the Marfatia group entities were based in Dubai or had any contact with Mr. Viresh Joshi.

58. In this regard, it is pertinent to note that the present proceedings against Noticee no. 7 were not on the ground that it was involved in transmission of non-public information from Mr. Viresh Joshi or that it had front-run the trades as a trader. Rather, the allegation against Noticee no. 7 was narrower and distinct, namely that it had facilitated installation and operation of ODIN terminal access on the system used by Mr. Prijesh Kurani in Dubai and thereby enabled execution of the impugned front-running trades.

59. Thus, absence of any direct link with Mr. Viresh Joshi or Mr. Sumit Desai or Mr. Prijesh Kurani did not, by itself, negate the allegation framed against Noticee no. 7. What falls for examination is whether Noticee no. 7, through its IT support and infrastructure, enabled access to its trading terminal in a manner that facilitated use by Mr. Prijesh Kurani, who was neither an authorized person nor a dealer of the said broker. The liability alleged here was therefore one of facilitation and not necessarily of direct communication. Hence, the aforesaid contention cannot be accepted.

60. Noticee no. 7 further submitted that the IT Department of Marfatia existed only for technical support for installation of software, that ODIN was freely downloadable, that installation of ODIN by itself was not illegal and that the mere fact of installation could not be used to make any allegation of fraud.

61. However, the present allegation was not founded on software installation simpliciter. The allegation was that the broker's IT support was used to facilitate installation of ODIN on the system used by Mr. Prijesh Kurani in Dubai and to enable operational access for placement of impugned trades. The argument of Noticee no. 7 seeks to isolate the act of installation from the surrounding circumstances. The conduct has to be appreciated in the full factual matrix, which included the interaction between Mr. Yunus Modan, IT personnel of Noticee no. 7 and the user of the system through AnyDesk, the fact that the software was installed on the system from which the impugned trades were executed and the technical evidence in the form of common MAC IDs, which, as per the SCN, linked the systems used across the trades routed through Marfatia and Woodstock, thereby suggesting use of the same computer systems.

62. Thus, the issue was not merely whether software could ordinarily be downloaded or installed, but whether the terminal access of a SEBI registered broker was in fact facilitated in favour of a person who was neither an authorized person nor registered dealer of the broker and who allegedly used it for execution of the front running trades. Hence, the contention of Noticee in this regard is not tenable.

63. Noticee no. 7 also submitted that Mr. Yunus installed ODIN only on the request of Mr. Pranav Vora, husband of the authorized person Mrs. Vilpa Vora and in good faith believing that the software was being installed in the system of Mr. Pranav Vora or AP-Vilpa Vora. It was further submitted that neither Mr. Yunus nor Noticee no. 7 was aware that the software had been installed in the system of Mr. Prijesh Kurani in Dubai.

64. This contention also does not sufficiently explain the circumstances emerging from the record. The case of Noticee no. 7 was that the installation was undertaken on the request of Mr. Pranav Vora, who was familiar to the company because his wife was its authorized person. Even assuming that the initial request came through such channel, the material relied upon in the SCN suggested that ODIN installation was in fact

facilitated on the system used for execution of the impugned trades, and that the said system was being used by Mr. Prijesh Kurani.

65. Further, the plea that AnyDesk does not reveal the name or location of the user does not answer the more important issue, namely whether a regulated intermediary exercised due caution before enabling remote access to its terminal software in favour of a person who was neither a registered client-owner of the terminal access nor an authorized person recognized by the broker. The explanation of Noticee no. 7, if accepted at face value, would imply that remote installation and access could be facilitated merely upon oral or informal instructions routed through third persons, without adequate verification of who the end user was. Such a position is inconsistent with the standards expected of a SEBI-registered intermediary.

66. It is also relevant that Noticee no. 7 itself admitted that Mr. Pranav Vora was managing the stock broking activity of its AP-Vilpa Vora, that Mr. Yunus was in contact with him for IT-related issues and that installation was carried out at his request. This admission supports the factum of active facilitation of terminal installation and the issue is whether such facilitation, when read with the rest of the material, aided the impugned trades. In the facts of the present matter, the answer is in the affirmative.

67. Noticee no. 7 further contended that no terminal login ID, password or credentials were shared by Mr. Yunus and that even the SCN itself alleged that the credentials of trading accounts were shared by Mr. Pranav Vora with Mr. Prijesh Kurani. Therefore, according to Noticee no. 7, it could not be alleged that it had facilitated placement of trades.

68. However, the case against Noticee no. 7 was not regarding sharing of credentials. The allegation was that Noticee no. 7 facilitated the technical means through which those credentials could be used to access the broker terminal and place the impugned trades. In other words, if one person supplied the credentials and the broker's

IT/system support enabled the installation and functioning of the broker terminal on the end user's system, the two roles would be complementary and not mutually exclusive.

69. Therefore, the contention of Noticee 7 that no login ID or password was directly shared by Mr. Yunus by itself would not exonerate it if the material otherwise established that its infrastructure and IT support were made available in a manner that enabled the actual operator to use the broker terminal. The allegation here was of facilitation not necessarily of being the ultimate source of credentials. Accordingly, for the purpose of the present proceedings, the distinction made by Noticees is not decisive.

70. It was further submitted that the case against them was based substantially on the alleged WhatsApp chats between Mr. Yunus Modan and allegedly Mr. Prijesh Kurani. They contended that the findings drawn from such chats were based on surmises, conjectures, assumptions and presumptions. They further submitted that the contents and meaning of WhatsApp messages could be proved only through cross-examination and in the absence of such cross-examination, such messages ought not to be relied upon.

71. At the outset, it is pertinent to note that the case against Noticees 7 to 8 was not founded solely or exclusively on the alleged WhatsApp chats. The said chats were only one component of the evidentiary material relied upon in the SCN. The allegations were also supported by the statements recorded during investigation, the admitted role of Mr. Yunus Modan as IT personnel of Noticee no. 7, the admitted circumstance that ODIN was installed through remote access at the request of Mr. Pranav Vora and the technical evidence in the form of common MAC IDs, which, as recorded in the SCN, indicated use of the same computer systems for routing the impugned trades through both Marfatia and Woodstock. Hence, it would not be correct to contend that the entire case rested only on WhatsApp chats.

72. Further, I note that the Noticees did not specifically dispute the contents of the WhatsApp chats as such. Rather, their arguments were that the chats only pertained to installation of ODIN software, that no credentials were shared by Mr. Yunus and that they were under the impression that the software was being installed on the system of Mr. Pranav Vora or AP-Vilpa Vora and not on the system of Mr. Prijesh Kurani in Dubai. Therefore, the controversy was not regarding the existence of the chats themselves, but regarding the inference sought to be drawn from them.

73. I also note that, though the Noticees argued that the WhatsApp messages could only be proved through cross-examination, they have not shown that any specific request for cross-examination of the concerned person was made in the present adjudication proceedings nor have they set out any concrete prejudice arising from non-grant of such cross-examination in the context of the present allegation. A general contention that WhatsApp chats could not be looked at without cross-examination cannot be accepted in the abstract, particularly when the contents of the chats themselves were not specifically denied and when the same were only being used as one part of the chain of evidence.

74. Further, the findings based on the chats cannot be said to be founded merely on surmises or conjectures. The chats were not read in isolation, but in conjunction with the surrounding circumstances and the other material on record. At the minimum, the chats corroborated the allegation that remote access through AnyDesk was sought and ODIN installation was facilitated by the IT personnel of Noticee no. 7. When such chats are read together with the admitted fact that Mr. Yunus acted on the belief that it is a request from Mr. Pranav Vora for installation of ODIN and further with the technical evidence concerning common MAC IDs, they acquire evidentiary value as contemporaneous material supporting the allegation of facilitation.

75. It is also well settled that adjudication proceedings under the SEBI Act are civil in nature, where findings are arrived at on the basis of material available on record and on the standard of preponderance of probabilities. In the present case, the WhatsApp

chats were not being relied upon as standalone proof of the entire front-running scheme, but only as corroborative material in support of the allegation of installation/ facilitation through remote access. In such circumstances, the absence of cross-examination did not render the chats incapable of consideration. Accordingly, the challenge raised by Noticees 7 to 9 to the reliance on the WhatsApp chats is rejected.

76. It was further contended that there was no documentary evidence to show that Mr. Prijesh Kurani had contacted Mr. Yunus for technical support and that the WhatsApp chats relied upon by SEBI only pertained to installation and not to subsequent technical assistance.

77. As contended by Noticees, even if the WhatsApp chats are construed conservatively, they still support the allegation that Mr. Yunus (IT officer of Noticee 7) was involved in remote installation of ODIN through AnyDesk. That itself was a material part of the allegation. The absence of elaborate subsequent chats on technical assistance would not neutralize the significance of the initial facilitation, if such facilitation enabled the terminal access to become operational on the concerned system.

78. It is also to be noted that the SCN relied not merely upon WhatsApp chats but also upon the statements of relevant persons, including the statement of Mr. Nishil Marfatia, the technical evidence concerning MAC IDs and the broader findings in the connected final order that Mr. Prijesh Kurani was the person operating from Dubai and placing the front-running trades using the accounts concerned.

79. Thus, even the admitted role of installation, when read with the technical evidence and the trading analysis, was sufficient to sustain the allegation of facilitation.

80. Noticee no. 7 also submitted that it had carried out due diligence and in support thereof referred to having sought justification from Mr. Bhavin A. Shah in respect of suspicious trades and upon not being satisfied, freezing his trading code. However, that circumstance cannot by itself absolve it of the specific conduct alleged in the present matter, namely facilitating terminal installation/access on the system used by

Mr. Prijesh Kurani. The present allegation must be tested on the basis of the evidence relating to the impugned facilitation and cannot be displaced merely by pointing to separate acts of due diligence.

81. Noticee no. 7 further submitted that in several prior front-running matters, SEBI had proceeded against the traders/front-runners and not against the brokers through whom the trades were executed. In this context, reliance was placed on matters such as Reliance Securities (Harshal Vira & Ors.), India Infoline (Mule Accounts case), Fidelity (Vaibhav Dhadda & Ors.) and Religare (Bhola Nath Dhall).

82. At the outset, it is noted that the Noticee merely cited certain prior front-running matters but failed to demonstrate as to how the facts, allegations, evidentiary position, and role attributed to the brokers in those matters were comparable to the present case. Mere reference to previous orders, without showing factual parity or legal similarity, cannot advance the argument of the Noticee.

83. It is well settled that the outcome in one matter cannot be mechanically applied to another unless the factual matrix and role attributed to the noticee are shown to be materially similar. The mere fact that in some earlier front-running matters SEBI may have proceeded primarily against the traders/front-runners and not against the brokers does not, by itself, create any legal bar against proceeding against a broker where the facts disclose a distinct and active facilitating role.

84. In the present matter, the allegation against Noticee no. 7 was not merely that front-running trades passed through accounts maintained with it in the ordinary course of brokerage business. The allegation was that Noticee no. 7, through its IT personnel, facilitated installation/operation of ODIN terminal access on the system used by Mr. Prijesh Kurani, who was neither its registered dealer nor an Authorized Person and thereby enabled execution of the impugned trades. Thus, the case against Noticee no. 7 was founded on its specific facilitating role in the execution mechanism and not just on its status as a broker.

85. In my view, where a broker merely executes trades on behalf of a client through the ordinary exchange mechanism, its position may stand on a different footing. However, where the broker's own infrastructure and technical support are shown to have been made available in favour of a person outside the authorized framework and such access is used for execution of fraudulent trades, the broker cannot avoid scrutiny merely by citing other matters in which brokers were not proceeded against.

86. Accordingly, the reliance placed by Noticee no. 7 on the aforesaid prior front-running matters is misplaced and does not assist it. Each case of alleged market abuse must be examined on its own facts and the Noticee cannot claim any benefit merely on the basis that in some other matters brokers were not proceeded against.

Findings in respect of Noticee no. 7

87. Upon considering the allegations in the SCN, the submissions of Noticee no. 7 and the material available on record, I am of the view that the argument of Noticee no. 7 cannot be accepted. The material against Noticee no. 7 referred to:

(a.) the role of Mr. Yunus Modan, IT personnel of Noticee no. 7, in facilitating installation of ODIN through AnyDesk;
(b.) the admitted circumstance that such installation was carried out on the request of Mr. Pranav Vora, who was closely connected with the authorized person of Marfatia;
(c.) the installation so facilitated was on the system used by Mr. Prijesh Kurani;
(d.) the technical evidence in the form of common MAC IDs, which, as per the SCN, indicated that the front-running orders routed through Marfatia and Woodstock were executed from the same computer systems; and
(e.) the broader findings of connected final order that Mr. Prijesh Kurani was the person executing the impugned trades from Dubai.

88. The plea of Noticee no. 7 that it believed the software was being installed only in the system of Mr. Pranav Vora or AP-Vilpa Vora and that it lacked knowledge of Mr. Prijesh Kurani's role, does not satisfactorily explain the remote installation of broker terminal access in favour of an end user who was admittedly neither a registered dealer nor an authorized person of the broker. Nor can the conduct be reduced to a mere case of routine software installation divorced from its context, when the material showed that

such installation formed part of the enabling mechanism through which the impugned trades were executed.

89. Accordingly, I hold that, insofar as Noticee no. 7 was concerned, the material on record established that it had facilitated installation/operation of trading terminal access on the system used by Mr. Prijesh Kurani and had thereby aided execution of the impugned trades. I therefore hold that the allegation under Issue No. I stood established against Noticee no. 7.

Whether the conduct of Noticee nos. 1 and 7 resulted in violation of the provisions of the SEBI Act and the PFUTP Regulations?

90. Having held hereinabove that Noticee no. 1 and Noticee no. 7 had facilitated installation/operation of their respective trading terminal access on the system used by Mr. Prijesh Kurani, the next question that arose for consideration was whether such facilitation, in the facts and circumstances of the present case, resulted in violation of the provisions of section 12A(a), (b) and (c) of the SEBI Act and regulations 3(a), (b), (c), (d) and 4(1) of the PFUTP Regulations.

91. In this regard, it is pertinent to note that the term "dealing in securities" as defined under regulation 2(1)(b) of the PFUTP Regulations includes the following:

> *"2(1)(b) "dealing in securities" includes:*
> *(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 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."*

92. From the aforesaid definition, it is clear that "dealing in securities" is not confined only to the direct act of buying or selling securities. It also includes any act of providing assistance to carry out the aforesaid acts. Therefore, where a SEBI registered intermediary provides the means, infrastructure, access or technical support through which securities transactions are executed, such conduct would also fall within the

ambit of "dealing in securities", if the surrounding facts show that such assistance formed part of the execution mechanism of the impugned trades. It is also pertinent to note that the definition of "dealing in securities" was amended with effect from February 01, 2019 based on the recommendation of the Fair Market Conduct Committee in its report dated August 08, 2018[6] wherein the Committee had, *inter alia*, held that:

> *"Fraudulent, manipulative or unfair trade practices may be carried out with the aid and assistance of persons other than the parties who are transacting in the securities market, including intermediaries who may have contributed to such dealings. The prohibition of fraudulent and unfair trade practices is in the context of dealing in securities. Hence, the definition of 'dealing in securities' should also include those who assist in and indeed often orchestrate or control the dealings in securities, or those who knowingly influence the decisions to invest in securities."*

93. From the aforesaid, it is also relevant to note that the definition of "dealing in securities" was widened so as to include those who assist in or facilitate the acts of dealing in securities. The underlying rationale is that fraudulent or unfair trade practices may not always be carried out only by the person who directly places the trades. Such practices may equally be enabled by persons who provide the assistance, infrastructure or conduit through which the trades are executed. Thus, an intermediary cannot escape scrutiny merely because it did not itself place the trades, if its conduct materially assisted execution of the impugned transactions.

94. In the present matter, the role attributed to Noticee nos. 1 and 7 was that, being SEBI registered stock brokers, they enabled installation and operation of their trading terminal software on the system used by Mr. Prijesh Kurani, who was neither a dealer nor an authorized person of the concerned stock brokers and thereby facilitated the execution of the impugned front-running trades. Such conduct clearly falls within the ambit of "providing assistance" for dealing in securities, and therefore squarely falls within the definition of "dealing in securities" under regulation 2(1)(b) of the PFUTP Regulations.

[6] https://www.sebi.gov.in/reports/reports/aug-2018/report-of-committee-on-fair-market-conduct-for-public-comments_39884.html

95. In this regard, I also find it relevant to refer to certain findings recorded in the connected final order. The relevant extracts are reproduced below:

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

……..

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

……..

185. Mr. Nishil (Noticee 11) provided the broker terminal and his demat account to be used for the purpose of front running. Infact, Mr. Nishil even instructed his IT employee to assist Mr. Prijesh in the case of any login or access issues while using the broker terminal. The Jajoo Group (Noticee 18 to 21) had given access to the trading account of Visa Capital Partners (Noticee 17) in which they were partners to Mr. Sumit along with the broker terminal of a company in which Mr. Suresh (Noticee 18) was a director.

……..

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

structures and the coded identities used, collectively show that this scheme was well thought-out and executed to evade early detection."

96. The aforesaid findings from the connected final order are significant for the present purpose for various reason. First, they show that the terminals of Noticees 1 and 7 were in fact used to place the front-running trades. Second, they record that Mr. Prijesh was in direct contact with the IT personnel of the said brokers in relation to terminal-related issues. Third, they underscore the principle that SEBI registered intermediaries cannot plead ignorance to the regulatory risks inherent in lending trading terminals to third parties and that the material fact is whether they facilitated the misuse in a manner that compromised market integrity. These observations, though made in the connected proceedings, are directly relevant in appreciating the role of Noticee nos. 1 and 7 in the present adjudication proceedings.

97. Further, section 12A(a), (b) and (c) of the SEBI Act and regulations 3 and 4 of the PFUTP Regulations prohibit the use of any manipulative, fraudulent or deceptive device, scheme or artifice in connection with dealing in securities, and prohibit acts, practices or courses of business which operate as fraud or deceit upon any person in connection with securities transactions. Thus, the prohibition is not confined only to the principal architect of the fraud but extends to any person whose conduct forms part of the fraudulent device, scheme, practice or course of business in connection with dealing in securities.

98. In this context, irrespective of the findings made in the connected section 11B proceedings, in order to establish the culpability of Noticees 1 and 7 independently, reference is made to the judgment of the Hon'ble Supreme Court in *Reliance Industries Limited and Others v. SEBI*[7], wherein the Hon'ble Supreme Court, *inter alia*, held as under:

"175. We agree with the observation in Kanhaiyalal Baldevbhai Patel (supra) that fraud is jurisprudentially very difficult to define. However, such difficulty should not result in such a legislation that would cover every act, expression, omission or

[7] *Civil Appeal No. 4015 of 2020 dated May 29, 2026*

concealment under the sky. In our opinion, it cannot be the intention of the PFUTP Regulations to give unfettered powers to the respondent authority to decide the question of fraud alienating it from the object of the enactment and language used in other parts of the definition itself and the provisions of the Act. We find it apposite to purposively interpret Regulation 2(1)(c). In our considered view, both mens rea and actus reus cannot be made into irrelevant factors for deciding fraud. Therefore, we may outline the following scenarios for a more purposive approach to Regulation 2(1)(c):

i) In situations where injury due to wrongful act is established, i.e, inducement to deal in securities has caused the other person to be adversely affected and allowed the party accused of fraud to gain unlawful profits or avert ordinary losses at the former's expense, there would be no requirement on the respondent authority to prove deceitful intention. In other words, where injury is impossible to be proved, the requirement of wrongful intention becomes mandatory.

ii) Secondly, similarly, in situations where deceitful or mala fide intention to defraud and manipulate the securities market is clear from the blatant misconduct or attending circumstances that cogently establish wrongful intention, then proving the injury would not be required.

176. We may, with a view to obviate any confusion, clarify that inducing another person or their agent to deal in securities, remains a strict requirement for establishing fraud. This Court in SEBI v. Rakhi Trading (P) Ltd., reported in (2018) 13 SCC 753. This Court held therein that once the factum of manipulation was established, there is no requirement to establish whether other persons were induced to deal in securities, as such manipulation is deemed to have taken place because of inducement."

99. Applying the aforesaid principles to the facts of the present case, I find that the conduct of Noticee nos. 1 and 7 satisfied the requirement of dealing in securities as they provided assistance that enabled execution of the impugned trades. They enabled their terminal access to be installed/operated on the system used by Mr. Prijesh Kurani, a person outside the authorized structure of the brokers and such access was in fact used to execute the front running trades.

100. I further find that the first test indicated by the Hon'ble Supreme Court in Reliance Industries Limited, namely injury due to wrongful act, stood satisfied in the present matter. The wrongful act here was not merely remote installation of software, it was the enabling of broker terminal access in favour of a person who was neither a dealer nor an Authorized Person and who used the same as part of the execution mechanism

of a front-running scheme. The connected proceedings have already found that the said scheme yielded unlawful gains and was used to front run the orders of the Big Client. Thus, the wrongful act of facilitation was part of a mechanism which enabled unlawful profits to be generated through the impugned trading activity and thereby adversely affected market integrity and fairness.

101. I also find that the second test indicated by the Hon'ble Supreme Court, namely that deceitful or mala fide intention may be inferred from blatant misconduct or attending circumstances, also stood satisfied. In the present matter, the attending circumstances clearly established wrongful conduct, namely:

(a.) installation/facilitation of broker terminal access on the system used by a person outside the authorized structure of the brokers;

(b.) use of remote access tools such as AnyDesk for such installation;

(c.) technical evidence showing the same computer systems being used across trades routed through both Marfatia and Woodstock;

(d.) direct contact of Mr. Prijesh with the IT personnel of the brokers in relation to terminal issues, as noticed in the connected order as well; and

(e.) the fact that the concerned brokers were SEBI registered intermediaries and therefore were aware, or at the very least ought reasonably to have been aware, of the serious regulatory risk and surveillance compromise inherent in such third-party use of terminals.

102. The Noticees 7 to 9 have also submitted that strict proof required for a serious charge of 'fraud'. According to Noticees, it is well settled law that the taint of 'fraud' cannot be attached or charged on preponderance of probability and compelling evidence should be brought on record for a person/entity to be held liable for 'fraud'. In support, they relied upon R.K. Global Shares and Securities Ltd. v. SEBI, Narendra Ganatra v. SEBI, Sterlite Industries (India) Ltd. v. SEBI, Parsoli Corporation Ltd. v. SEBI and Ram Sharan Yadav v. Thakur Muneshwar Nath Singh.

103. I have considered the aforesaid contention and the cases relied upon by the Noticees. There can be no dispute with the general proposition that allegations of fraud are serious and cannot be sustained on mere suspicion, surmises or conjectures. However, the said cases do not advance the case of the Noticees in the facts of the present matter.

104. The decisions in R.K. Global Shares and Securities Ltd., Narendra Ganatra, and Sterlite Industries were cases where the charge of collusion/manipulation failed because the concerned authority had not established a sufficient factual nexus between the noticee in those matters and the alleged manipulative activity and the findings were found to rest essentially on suspicion, weak linkages or inadequate supporting material. In those matters, the allegation pertained to the noticees' own trading conduct or alleged connivance in manipulative trades and the Hon'ble SAT found that the evidentiary foundation was insufficient to sustain such serious findings. The present matter stands on a different footing. Here, the finding against Noticee nos. 1 and 7 is not based on vague association, inferred trading connection or mere market pattern analysis. The finding was based on specific acts of facilitation directly attributable to them, namely enabling installation/operation of broker terminal access on the system used by Mr. Prijesh Kurani, through their respective IT personnel, coupled with the supporting material in the form of statements, WhatsApp communications, remote access evidence, technical evidence such as IP/MAC details and the findings in the connected section 11B proceedings that the terminals of the said brokers were in fact used to place the impugned front-running trades. Thus, this is not a case where fraud or facilitation was inferred merely from suspicion, rather, it is a case where the conclusion emerged from a connected chain of direct and circumstantial material.

105. Insofar as Parsoli Corporation Ltd. v. SEBI is concerned, the said ruling, far from assisting the Noticees, in fact clarifies that in civil proceedings, even a serious charge like fraud can be established on the basis of preponderance of probabilities, though

the degree of probability must be higher having regard to the seriousness of the allegation. Therefore, the proposition canvassed by the Noticees that fraud under the SEBI Act/PFUTP Regulations cannot be established on preponderance of probabilities is not borne out even from the case law relied upon by them. Similarly, Ram Sharan Yadav v. Thakur Muneshwar Nath Singh arose in the context of corrupt electoral practice, where the Court applied a stricter standard akin to criminal proof because of the consequences of disqualification. The said decision arose in a different statutory context and cannot be mechanically imported into SEBI adjudication proceedings, which are civil in nature. Even otherwise, the Hon'ble Supreme Court in that case also emphasized the importance of considering the surrounding circumstances and totality of the evidence.

106. Thus, while the cases relied upon by the Noticees do show that a serious charge cannot be upheld on conjectures or weak inferences, they do not support the proposition that findings under the PFUTP framework cannot be returned on a higher degree of probability flowing from a cogent evidentiary record. In the present matter, the findings against Noticee nos. 1 and 7 were based on such cogent material and not on bare suspicion. Accordingly, the aforesaid contention of the Noticees 7 to 9 in this regard is rejected.

107. In my view, the conduct of Noticee nos. 1 and 7 cannot be trivialized as a mere case of routine software installation or ordinary technical assistance. A SEBI registered stock broker is expected to exercise heightened care and control over its terminal access, user chain and trading infrastructure. Permitting/enabling terminal access to be used by a third party outside the authorized framework and thereby facilitating the mechanism through which impugned trades are executed, is conduct that squarely falls within the mischief sought to be prohibited under section 12A of the SEBI Act and regulations 3 and 4 of the PFUTP Regulations.

108. Accordingly, on an overall consideration of the material on record, I hold that the conduct of Noticees 1 and 7, in enabling and facilitating installation/operation of their respective trading terminal access on the system used by Mr. Prijesh Kurani, constituted provision of assistance for dealing in securities in a manner that formed part of a fraudulent and unfair course of conduct in the securities market. I therefore hold that Noticee nos. 1 and 7 had violated the provisions of section 12A(a), (b) and (c) of the SEBI Act and regulations 3(a), (b), (c), (d) and 4(1) of the PFUTP Regulations.

Issue II. Whether Noticees 2 to 6, being directors of Noticee 1 and Noticees 8 to 9, being directors of Noticee 7, were responsible and liable for the actions of Noticees 1 and 7, respectively and thereby, violated the provisions of section 12A(a), (b), (c) of the SEBI Act and regulations 3(a), (b), (c), (d) and 4(1) of the PFUTP Regulations read with section 27 of the SEBI Act?

109. Having held under Issue No. I that Noticee no. 1 and Noticee no. 7 had violated the provisions of section 12A(a), (b) and (c) of the SEBI Act and regulations 3(a), (b), (c), (d) and 4(1) of the PFUTP Regulations, the next question which arose for consideration was whether the directors of the said companies, namely Noticee nos. 2 to 6 in the case of Noticee no. 1 and Noticee nos. 8 to 9 in the case of Noticee no. 7, were also liable in terms of section 27 of the SEBI Act.

110. In this regard, it is necessary to first reproduce section 27 of the SEBI Act, which reads as under:

> *"**Contravention by companies.***
> ***27.** (1) Where a contravention of any of the provisions of this Act or any rule, regulation, direction or order made thereunder has been committed by a company, every person who at the time the contravention was committed was in charge of, and was responsible to, the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the contravention and shall be liable to be proceeded against and punished accordingly:*
> *Provided that nothing contained in this sub-section shall render any such person liable to any punishment provided in this Act, if he proves that the contravention was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such contravention.*

(2) Notwithstanding anything contained in sub-section (1), where an contravention under this Act has been committed by a company and it is proved that the contravention has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of the contravention and shall be liable to be proceeded against and punished accordingly.
Explanation : For the purposes of this section,—
(a) "company" means any body corporate and includes a firm or other association of
individuals; and
(b) "director", in relation to a firm, means a partner in the firm."

111. A plain reading of section 27 shows that vicarious liability of a director or officer of a company does not arise merely because such person holds the designation of a director. It must be shown either: (a) that at the relevant time he/she was in charge of and responsible to the company for the conduct of its business; or (b) that the contravention was committed with his / her consent or connivance or was attributable to his / her neglect.

112. It is therefore necessary to examine the material on record separately in respect of: (i) Noticee nos. 2 to 6, being directors of Noticee no. 1; and (ii) Noticee nos. 8 and 9, being directors of Noticee no. 7.

A. Noticee nos. 2 to 6 – directors of Noticee no. 1

113. The principal argument of Noticee nos. 2 to 6 was that they had been proceeded against only because they were directors of Noticee no. 1 and that no specific role had been attributed to them, particularly in the case of Noticee nos. 3 to 6. It was also submitted that Noticee no. 2 alone was the sole decision-maker within the company.

114. Upon consideration of the material on record, I find that the position of Noticee no. 2 (Mr. Suresh Kanmal Jajoo) stood on a footing different from that of Noticee nos. 3 to 6. Insofar as Noticee no. 2 was concerned, the material on record showed that:

(a.) he was a director of Noticee no. 1 and admittedly the sole decision-maker in Noticee 1. Further, he was also a partner in Visa Capital Partners (VCP), the client account through which the impugned trades were routed;

(b.) in his own statement dated May 16, 2022, he admitted that he had shared the details/credentials of the trading account of Visa Capital Partners with Darshan Desai;

(c.) he also admitted that the trading software (ODIN) of Noticee no. 1 had been installed on the PC/laptop used by Prijesh Kurani through AnyDesk, by Kunal Dalal, on instructions routed through persons connected with the arrangement; and

(d.) the arrangement concerning use of the trading account/terminal and the associated profit-sharing terms had been entered into with his knowledge and participation.

115. Thus, in the case of Noticee no. 2, the material on record did not indicate mere holding of a directorship in a formal sense. On the contrary, the material demonstrated his active, conscious and integral role in the arrangement through which the trading account of Visa Capital Partners and the terminal infrastructure of Noticee no. 1 were made available for use in the impugned trading activity. Noticee no. 2 was not only a director of Noticee no. 1, but was also admittedly the sole decision-maker therein and, simultaneously, a partner in Visa Capital Partners, the very client account through which the front-running trades were routed. Further, the arrangement concerning use of the trading account/terminal as well as the associated profit-sharing understanding had been entered into with his knowledge and participation. These facts clearly showed that Noticee no. 2 was directly connected with and responsible for the very acts by which Noticee no. 1 facilitated the impugned trades.

116. In such circumstances, I am of the view that the requirements of section 27 of the SEBI Act stood satisfied in the case of Noticee no. 2. The material on record established that, at the relevant time, he was in charge of and responsible to the company for the conduct of its business in relation to the impugned acts and in any

event, the contravention by Noticee no. 1 was clearly committed with his knowledge, consent and participation. Hence, Noticee no. 2 was liable for the acts of Noticee no. 1 and had thereby violated the provisions of section 12A(a), (b), (c) of the SEBI Act and regulations 3(a), (b), (c), (d) and 4(1) of the PFUTP Regulations, read with section 27 of the SEBI Act.

117. However, insofar as Noticee nos. 3 to 6 were concerned, I find that the SCN and the material on record did not attribute any specific role to them beyond the bare allegation that they were directors of Noticee no. 1. No material was brought on record to show that they were in charge of and responsible for the conduct of the business of Noticee no. 1 in relation to the impugned acts or had consented to, connived in, or were negligent in relation to the installation/facilitation of terminal access on the system used by Mr. Prijesh Kurani. In fact, the Noticees consistently submitted that Noticee no. 2 was the person who handled the relevant decision-making and arrangement and there is no material on record displacing that position as regards Noticee nos. 3 to 6. Therefore, the allegation under section 27 cannot be sustained against Noticee nos. 3 to 6.

B. Noticee nos. 8 and 9– directors of Noticee no. 7

118. The submissions of Noticee nos. 8 and 9 were broadly to the effect that they had been proceeded against only because they were directors of Noticee no. 7, that there was no specific allegation as regards their individual role and that in the case of Noticee no. 9, she was only a non-executive director not involved in the day-to-day affairs of the company.

119. On consideration of the material on record, I find that the position of Noticee no. 8 also stood on a different footing from that of Noticee no. 9.

120. Insofar as Noticee no. 8 was concerned, the material on record showed that:

(a.)he was admittedly managing director of Noticee no. 7/Marfatia Stock Broking Pvt. Ltd. during the relevant period;

(b.) in his statement dated May 16, 2022, he acknowledged the role of Mr. Yunus Modan, IT personnel of Marfatia, in installing ODIN through remote application at the request routed through Mr. Pranav Vora;

(c.) his own trading account was one of the accounts used in the impugned scheme;

121. In view of the aforesaid, I find that the case of Noticee no. 8 was not one of mere directorship. The material showed active nexus with the facilitation of terminal access and sufficient control over the affairs of Noticee no. 7 to attract the ingredients of section 27. Further, with respect to the reliance placed by Noticee no. 8 on the ruling of the Hon'ble Supreme Court in Municipal Corporation of Delhi v. Ram Kishan Rohtagi, I note that the said decision arose in the context of vicarious liability under a different statutory framework involving criminal liability. In the present case, however, the liability of the Noticees fell to be determined in the context of the alleged violation of the provisions of the securities laws, including section 27 of the SEBI Act, as set out in the SCN. In any event, the said case is also distinguishable on facts. In that case, the proceedings against the directors were quashed because there was no material against them apart from a bald averment flowing from their designation as directors. In the present case, however, the liability of Noticee no. 8 was not being examined merely on the basis of his holding office as a director, but on the basis of specific material on record concerning his role in relation to the acts attributed to Noticee no. 7. Therefore, the reliance placed by Noticee no. 8 on the said decision is misplaced.

122. In this context, reference is also drawn to the Judgment of Hon'ble Supreme Court in the matter of N. Narayanan v. SEBI[8] wherein Hon'ble Supreme Court held that:

> *"33. Company though a legal entity cannot act by itself, it can act only through its Directors. They are expected to exercise their power on behalf of the company with utmost care, skill and diligence. This Court while describing what is the duty of a Director of a company held in Official Liquidator v. P.A. Tendolkar (1973) 1 SCC 602 that* ***a Director may be shown to be placed and to have been so closely and so long associated personally with the management of the***

[8] *Civil Appeal Nos. 4112-4113 of 2013 dated April 26, 2013*

company that he will be deemed to be not merely cognizant of but liable for fraud in the conduct of business of the company even though no specific act of dishonesty is provide against him personally. *He cannot shut his eyes to what must be obvious to everyone who examines the affairs of the company even superficially."* (Emphasis Supplied)

123. Hence, it is established that Noticee 8 had violated the provisions of section 12A(a), (b), (c) of the SEBI Act and regulations 3(a), (b), (c), (d) and 4(1) of the PFUTP Regulations read with section 27 of the SEBI Act.

124. However, as regards Noticee no. 9, I find that no specific material was brought on record to show that they she was in charge of and responsible for the conduct of the business of Noticee no. 7 at the relevant time or that the contravention was committed with her consent or connivance or due to her neglect. The SCN, insofar as this Noticee was concerned, proceeded merely on the basis that she was director of Noticee no. 7 which is insufficient to sustain vicarious liability under section 27.

Issue III. Does the violation, if any, on the part of Noticees attract monetary penalty under section 15HA of the SEBI Act?

Issue IV. If so, what would be the quantum of monetary penalty that can be imposed on Noticees after taking into consideration the factors stipulated in section 15J of the SEBI Act?

125. As it has been established that Noticees 1 and 7 had violated the provisions of of section 12A(a), (b), (c) of the SEBI Act and regulations 3(a), (b), (c), (d) and 4(1) of the PFUTP Regulations and Noticees 2 and 8 had violated the provisions of section 12A(a), (b), (c) of the SEBI Act and regulations 3(a), (b), (c), (d) and 4(1) of the PFUTP Regulations read with section 27 of the SEBI Act, these Noticees are liable for payment of a monetary penalty under section 15HA of the SEBI Act. Section 15HA of the SEBI Act is reproduced below:

"Penalty for fraudulent and unfair trade practices.
15HA. *If any person indulges in fraudulent and unfair trade practices relating to securities, he shall be liable to a penalty which shall not be less than five lakh rupees*

but which may extend to twenty-five crore rupees or three times the amount of profits made out of such practices, whichever is higher."

126. While determining the quantum of penalty under section 15HA of the SEBI Act, the following factors stipulated in section 15J of the SEBI Act are taken into account:

> ***"Factors to be taken into account while adjudging quantum of penalty.***
> *15J. While adjudging quantum of penalty under 15-I or section 11 or section 11B, the Board or the adjudicating officer shall have due regard to the following factors, namely: —*
> *(a) the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;*
> *(b) the amount of loss caused to an investor or group of investors as a result of the default;*
> *(c) the repetitive nature of the default."*

127. The material available on record has neither quantified the amount of disproportionate gain or unfair advantage, if any, made by Noticees 1 and 7 in their capacity as stock brokers, or by Noticee 2 and Noticee 8, being directors of Noticees 1 and 7 respectively, nor the amount of loss, if any, caused to an investor / clients as a result of the default of these Noticees. However, it is noted from the material on record that the unlawful gains quantified in the investigation/connected proceedings were primarily attributed to the front-runner accounts/entities through which the impugned trades were executed and disgorgement thereof was directed in the connected proceedings. I have also taken into account the fact that penalty and debarment were also imposed in the connected proceedings against Visa Capital Partners and its partners, including Noticee 2 (for the trading account used for execution of front-running trades), as well as against Noticee 8 (for the trading account used for execution of front-running trades). The relevant extracts of the said order dated July 24, 2026 are as under:

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

Table 18

Noticee no.	*Trading Account*	*Liability of Noticee*	*Wrongful Gains (in INR)*
11	*Mr. Nishil Surendra Marfatia*	*1. Mr. Viresh Joshi, 2. Mr. Sumit Desai, 3. Mr. Prijesh Kurani, 4. Mr. Pranav Vora, 5. Mr. Vaibhav Pandya, and 6. Mr. Nishil Surendra Marfatia*	*3,08,28,714.16*
17	*Visa Capital Partners*	*1. Mr. Viresh Joshi, 2. Mr. Sumit Desai, 3. Mr. Prijesh Kurani, 4. Mr. Vaibhav Pandya, 5. Visa Capital Partners, 6. Mr. Suresh Jajoo, 7. Ms. Vimla S Jajoo, 8. Mr. Ankit Jajoo; and 9. Ms. Sheepra Sumeet Kabra*	*14,07,03,340.80*

……...

196. I have in preceding paragraphs, taken note of the wrongful gains made by the Noticees in the extant matter. I note that the entire impounding amount has been deposited. Further, I find that the allegations made in the SCN do not indicate the amount of specific loss caused to investors or group of investors as a result of the default by Noticees….

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

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

Noticee no.	*Noticee*	*PAN*	*Period*
11.	*Nishil Surendra Marfatia*	*ADWPM9452H*	*3 years*
17.	*Visa Capital Partners*	*AAGFV6839A*	*3 years*
18.	*Suresh K Jajoo*	*AAFPJ0070J*	*3 years*
19.	*Vimla S Jajoo*	*ADAPJ8747J*	*3 years*
20.	*Ankit Jajoo*	*AIZPJ2803R*	*3 years*
21.	*Sheepra Sumeet Kabra*	*ADOPJ3255B*	*3 years*

…….

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

Noticee no.	*Noticee*	*PAN*	*Amount (in INR)*
11.	*Nishil Surendra Marfatia*	*ADWPM9452H*	*40,00,000*
17.	*Visa Capital Partners*	*AAGFV6839A*	*10,00,000*
18.	*Suresh K Jajoo*	*AAFPJ0070J*	*40,00,000*
19.	*Vimla S Jajoo*	*ADAPJ8747J*	*10,00,000*
20.	*Ankit Jajoo*	*AIZPJ2803R*	*10,00,000*
21.	*Sheepra Sumeet Kabra*	*ADOPJ3255B*	*10,00,000*

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

128. As regards the repetitive nature of the default, it is noted that apart from aforementioned directions and penalties, following penalties have been imposed against Noticees 7 and 8 by SEBI.

Table 4

Sr. No.	Case Name	Date of Order	Violation of provisions of	Penalty imposed
Noticee 7				
1.	In the matter of 20 Microns Limited	August 09, 2019	SEBI (Stock Brokers) Regulations, 1992 (hereinafter referred to as **"Brokers Regulations"**)	Rs. 1,00,000/-
2.	In the matter of Marfatia Stock Broking Private Limited	March 18, 2024	SEBI Circulars	Rs. 1,00,000/-
3.	In the matter of Alankit Limited	May 22, 2024	PFUTP Regulations and Brokers Regulations	Rs. 8,00,000/-*
4.	In the matter of Manipulation in the scrip of SecUR Credentials Limited	September 03, 2025	Brokers Regulations and SEBI Circular	Rs. 3,00,000/-
Noticee 8				
1.	In the matter of dealings in illiquid stock options on BSE	February 28, 2022	PFUTP Regulations	Rs. 5,00,000/-
2.	In the matter of Veronica Production Limited	June 27, 2022	PFUTP Regulations	Rs. 5,00,000/-
3.	In the matter of Alankit Limited	May 22, 2024	PFUTP Regulations	Rs. 6,00,000/-*

**Rs. 6,00,000/- penalty was imposed jointly and severally between Noticees 7 and 8.*

129. The aforementioned factors have been taken into consideration while adjudging the penalty.

ORDER

130. Having considered the facts and circumstances of the case, the material available on record, the factors mentioned in preceding paragraphs and in the exercise of powers conferred upon me under section 15-I of the SEBI Act read with rule 5 of the Rules, I hereby impose following monetary penalty on Noticees 1, 2, 7 and 8 under section 15HA of the SEBI Act and the adjudication proceedings initiated against Noticees 3, 4, 5, 6, 9 and 10 vide SCN dated October 31, 2023 is hereby disposed of without imposition of any penalty.

Table 5

Noticee No.	Noticee Name	Penal Provision	Penalty Amount
Noticee 1	Woodstock Broking Pvt. Ltd.	Section 15HA of the SEBI Act	Rs. 10,00,000/- (Rupees Ten Lakh Only)
Noticee 2	Mr. Suresh Kanmal Jajoo		Rs. 10,00,000/- (Rupees Ten Lakh Only)
Noticee 7	Marfatia Stock Broking Pvt. Ltd.		Rs. 10,00,000/- (Rupees Ten Lakh Only)
Noticee 8	Mr. Nishil Surendra Marfatia		Rs. 10,00,000/- (Rupees Ten Lakh Only)

131. I am of the view that the said penalty is commensurate with the lapses/omissions on the part of Noticees 1, 2, 7 and 8. These Noticees shall remit/pay the said amount of penalty 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: ENFORCEMENT -> Orders -> Orders of AO -> PAY NOW.

132. In the event of failure to pay the 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 1, 2, 7 and 8.

133. In terms of the provisions of rule 6 of the Rules, a copy of this order is being sent to Noticees and also to the SEBI.

JAI SEBASTIAN

Digitally signed by JAI SEBASTIAN
Date: 2026.11.03 16:42:47 +05'30'

Date: November 03, 2026 **JAI SEBASTIAN**

Place: Mumbai **ADJUDICATING OFFICER**