

**BEFORE THE ADJUDICATING OFFICER  
SECURITIES AND EXCHANGE BOARD OF INDIA  
(ADJUDICATION ORDER NO: ORDER/AK/RK/2025-26/31553-31563)**

**U/S 15-I OF SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 R/W  
RULE 5 OF SECURITIES AND EXCHANGE BOARD OF INDIA (PROCEDURE  
FOR HOLDING INQUIRY AND IMPOSING PENALTIES) RULES, 1995, IN  
RESPECT OF:**

<b>Noticee No.</b>	<b>Name of the Noticees</b>	<b>PAN</b>
1	Aakash Doshi	AILPD8283D
2	Kevin Kapadia	347058415528(Aadhaar)
3	Dilip Doshi	AACPD8647A
4	Richi Dilip Doshi	AILPD8286G
5	Kruti Kevin Kapadia	BCRPK1909C
6	Dhanpal Gandhi	AJZPG6251F
7	Amesh Jaiswal	AFZPJ0067Q
8	Jalaj Agarwal	AUDPA0226H
9	Satyen Dalal	AACPD0426F
10	Darshan Gandhi	AMLPG7801J
11	Jalpa Dhanpal Gandhi	AAMPZ3878P

**In the matter of price manipulation by certain entities in the scrip of Darshan  
Orna Limited using social media channels**

**BACKGROUND OF THE CASE**

1. Securities and Exchange Board of India (“**SEBI**”) conducted an investigation in the matter of trading activities of certain entities in the scrip of Darshan Orna Limited (“**DOL/Company**”), based on recommendations that were circulated on Telegram channel, to ascertain possible violation of provisions of SEBI Act, 1992 (hereinafter referred to as “**SEBI Act**”) and SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 (hereinafter referred to as “**PFUTP Regulations**”). The period of investigation was from September 01, 2021 till June 30, 2022 (hereinafter referred to as the “**Investigation period**” or “**IP**”).

2. It was found that Aakash Doshi (**Noticee 1**), Kevin Kapadia (**Noticee 2**), Dilip Doshi (**Noticee 3**), Richi Dilip Doshi (**Noticee 4**), Kruti Kevin Kapadia (**Noticee 5**), Dhanpal Gandhi (**Noticee 6**), Amesh Jaiswal (**Noticee 7**), Jalaj Agarwal (**Noticee 8**), Satyen Dalal (**Noticee 9**), Darshan Gandhi (**Noticee 10**) and Jalpa Dhanpal Gandhi (**Noticee 11**) (hereinafter jointly referred to as the “**Noticees**”) had, prima facie, violated various provisions of SEBI Act and PFUTP Regulations.

#### **APPOINTMENT OF ADJUDICATING OFFICER**

3. Upon being satisfied that there were sufficient grounds to inquire into and adjudicate upon the violations by the Noticees, SEBI appointed Shri Shashi Kumar Valsakumar as Adjudicating Officer (**AO**) u/s 15-I(1) of the SEBI Act and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as the “**SEBI Adjudication Rules**”), vide order dated March 22, 2024, to inquire into and adjudge u/s 15HA of the SEBI Act, the alleged violations by the Noticees. Subsequently, Ms Asha Shetty was appointed as AO in the matter. Finally, pursuant to the transfer of matter, undersigned was appointed as AO, vide order dated December 03, 2024.

#### **SHOW CAUSE NOTICE, REPLY AND HEARING**

4. A common Show Cause Notice dated July 02, 2024 (hereinafter referred to as “**SCN**”) was issued to the Noticees in terms of the provisions of Rule 4(1) of SEBI Adjudication Rules, requiring the Noticees to show cause as to why an inquiry should not be held against them and why penalty, if any, should not be imposed u/s 15HA of the SEBI Act, for the violations stated in the SCN. Further, a Corrigendum to the SCN dated July 02, 2024, was also issued to the Noticees, vide which change in the subject of the SCN was conveyed to the Noticees.
5. In response to the SCN, vide email dated July 13, 2024, Noticee 1 requested for certain documents. He reiterated the request vide email dated July 19, 2024. Vide email dated July 24, 2024, the sought documents were provided to Noticee 1 and his Authorized Representative (AR). Vide email dated August 01, 2024, AR of Noticee 1 requested an opportunity to cross examine Noticee 6. Vide email dated October 22, 2024, AR of the Noticee 1 was given an opportunity to cross examine

Noticee 6 on November 06, 2024. Vide email dated October 26, 2024, AR of the Noticee 1, requested to postpone the said cross-examination to a later date. The said request was acceded to and AR was provided another opportunity of cross-examination on November 13, 2024.

6. Vide email dated November 11, 2024, AR of Noticee 1 confirmed to avail the said opportunity on the aforementioned date. Vide email dated November 04, 2024, Noticee 6 sought copy of statements recorded before the Investigating Authority (IA) and submitted that he would appear for cross-examination only after being provided with the statements sought by him. Vide email dated November 08, 2024, copies of the statements recorded during the course of investigation, were provided to Noticee 6. Vide letter dated November 08, 2024, Noticee 6 requested to be provided with all the communications made by him during the course of investigation and requested to schedule the cross-examination to a later date, only after being provided with the documents mentioned above.
7. Vide letter dated November 11, 2024, Noticee 6 also sought clarification with respect to the circumstances under which cross-examination is granted and requested to not conduct cross-examination in the matter and also deny the opportunity of cross-examination to Noticee 1, with a simultaneous request to schedule cross examination sometime later. Therefore, cross-examination in the matter was rescheduled to November 26, 2024, vide email dated November 19, 2024. Further, vide the said email, Noticee 6 was informed that the statement of Noticee 1 had already been provided to him as Annexure to the SCN and the same was also acknowledged by him. It was further informed that the cross-examination would be limited to the statements made under oath by him. However, cross-examination could not be conducted on November 26, 2024 as Noticee 6 abstained on the date of cross-examination, despite repeated communications as mentioned above. Vide email dated January 25, 2025, AR of the Noticees 1, 3 and 4 submitted reply dated January 21, 2025, January 27, 2025, and January 28, 2025 respectively and also made additional submissions, vide letter dated February 15, 2025.

8. Noticee 9 submitted his reply to the SCN, vide letter dated January 20, 2025, received through email dated January 21, 2025.
9. Noticee 6 in response to the SCN, vide letter dated July 16, 2024, sought an extension of time to file reply in the matter. Vide letter dated August 16, 2024, he sought an opportunity to inspect the documents relied upon in the matter. Further, vide email dated November 04, 2024, Noticee 6 reiterated his request for inspection of documents in the matter. Vide email dated November 8, 2024, Noticee 6 was provided with an opportunity of inspection of documents on November 13, 2024, which was duly availed by its AR on the said date.
10. Vide email dated November 18, 2024, AR of Noticee 6 requested to be provided with some documents, which were provided in a CD during the inspection, since they claimed to encounter some error in opening the relevant file. The said request was acceded to and, vide email dated November 18, 2024, all the relevant documents were provided to the AR of Noticee 6. However, vide, letter dated November 22, 2024, Noticee 6 submitted that he had not been provided with Annexures of IR and other relied upon documents in the matter and requested to be provided with the same. Further, vide letter dated November 28, 2024, AR of Noticee 6 reiterated the request for having not received the Annexures of IR and also requested to be provided the complete set of authenticated/certified set of documents. He submitted that after being provided with the documents, he would be able to file reply in the matter.
11. Vide email dated January 17, 2025, Noticee 6 was informed that all the relevant and relied upon documents have been provided to him and his AR on November 13, 2024 and through emails as mentioned above. Further, as regards his request for seeking authenticated copies, it was informed that the instant proceedings are quasi judicial proceedings, as Section 1 of Bhartiya Sakshya Adhiniyam (BSA), 2023 is applicable to all judicial proceedings in or before any court, and therefore, providing the authenticated documents is outside the ambit of Section 63 of BSA. He was also given an opportunity to submit his reply in the matter, by January 22, 2025. Noticee 6, vide email dated January 27, 2025 sought an extension of time

to file reply in the matter. The said request was acceded to and Noticee was given time till February 07, 2025 to submit his reply in the matter.

12. Vide letter dated September 13, 2024, Noticee 10 sought extension of time to file reply in the matter on the ground of Noticee 6 having sought documents in the matter as mentioned above. He submitted that, pursuant to Noticee 6 having received the documents, he would submit reply in the matter. Vide email dated January 17, 2025, Noticee 10 was informed of having provided with all the relevant and relied upon documents in the matter and was given an opportunity to submit his reply in the matter, latest by January 22, 2025. Noticees 6, 10 and 11 submitted their reply in the matter, vide email dated February 07, 2025 and February 18, 2025.
13. Noticee 7, vide email dated February 18, 2025, requested to be provided with copies of relevant documents and an opportunity of cross-examination in the matter. Vide email dated February 21, 2025, Noticee 7 was asked to specify the documents being sought by him, and given an opportunity of inspection of the documents on February 24, 2025. As regards his request for cross-examination, he was informed that based on his reply on merits, if request for cross examination is accepted, he would be given an opportunity.
14. Vide email dated February 22, 2025, Noticee 7 reiterated his request for all the documents along with that, he specified some documents and also requested an opportunity for cross-examination before filing reply in the matter. Vide email dated February 24, 2025, Noticee 7 was provided all the relevant documents and was informed to specify the documents being sought by him by February 25, 2025. Further, with respect to his request for cross-examination, earlier communication was reiterated. Vide email dated February 27, 2025, Noticee 7 was given an opportunity to submit his reply in the matter, latest by March 05, 2025.
15. Vide email dated March 04, 2025, AR of Noticee 7 submitted that he was also representing Noticee 8 and requested to cross-examine Noticee 6, 7 and one Mr. Mehul Shah. Vide email dated March 04, 2025, AR of Noticees 7 and 8 was again informed that the opportunity of cross-examination would be provided, if felt

warranted, pursuant to his response to the SCN on merits. Further, vide email dated March 07, 2025, Noticees 7 and 8 were informed that on non receipt of any reply, they were provided with the opportunities of hearing on January 29, 2025 and February 05, 2025. Later, they were also given an opportunity to submit reply in the matter by March 10, 2025. AR of the Noticees 7 and 8, vide email dated March 09 2025 sought adjournment of the hearing scheduled and requested to reschedule the hearing to March 13, 2025. Hence, vide email dated March 10, 2025, Noticees 7 and 8 were given another opportunity of hearing on March 13, 2025. AR of the Noticees 7 and 8 submitted their replies in the matter, vide letter dated March 12, 2025, received through email dated March 18, 2025. Further, vide email dated March 09, 2025, AR of the Noticees 7 and 8 requested to reschedule the hearing to March 21, 2025. The said request was acceded to and hearing in the matter was scheduled on March 21, 2025. As per material available on record, Noticees 2 and 5 have not submitted their replies in the matter till date.

16. Following were the findings of investigation on the basis of which allegation were made against the Noticees in the SCN;

16.1 It was observed that the price and volume of the scrip of DOL was allegedly manipulated and Noticee 1 (by using his own account, accounts of his father, Noticee 3 and brother, Noticee 4) and Noticee 2 (by using the account of his wife, Noticee 5) were alleged to be the main perpetrators of the alleged scheme of increase in price and volume of the shares of the DOL. They, along with the aides viz, Noticee 6 (who was further aided by his brother, Noticee 10 and his wife, Noticee 11), Noticee 7 and 8 had allegedly indulged in an act, which created misleading appearance of trading in the scrip and manipulated the price of the scrip. Noticee 1 and 2 had even allegedly funded Noticee 6 directly/indirectly, who had not only traded on his own account and account of his family members but also served as a link for posting recommendations on Telegram. Noticee 7 and 8 also aided and abetted the main perpetrators by posting recommendations on Telegram. Such trading pattern coupled with banking transactions/funding and recommendations on Telegram indicated scheme for

manipulation of price and volume in the scrip and thus, was allegedly in violation of various provisions of PFUTP Regulations.

16.2 Further, it was observed that barring Noticees 7, 8 and 9 (who had not traded in the scrip during the IP and Noticee 2), all other Noticees were collectively observed to have allegedly increased the price of shares during the patch of price rise by increasing LTP, created a New High Price (NHP) and executed numerous first trades of 100 shares or less.

16.3 Further, the trading activities in the scrip coupled with messages on Telegram app created an impression of increased price and volume in the market, which had allegedly influenced the gullible investors to purchase the shares of DOL, and the same was evident from the fact that during the same time, the number of public shareholders witnessed a huge jump from 1732 to 7536 i.e. an increase by 335% during the quarter of January 2022 to March 2022, with a change in price from an open price of Rs 77/- on January 03, 2022 (January 01 and 02 being trading holidays) to the highest closing of Rs 146.7 on March 04, 2022. The volume of shares traded during the quarter from January 2022 till March 2022 also witnessed a huge spurt to 32,60,595 as compared to traded volume of 8,96,967 of the previous quarter.

**16.4 Entities Analysed:** The trading pattern and funding between the Noticees, allegedly indicated manipulation of price and volume in the scrip of DOL and Noticees along with others were therefore identified. The connections amongst Noticees was established on the basis of Know Your Client (KYC) documents obtained from brokers, Bank statements, Unique Client Code (UCC) provided by BSE, MCA website (for common directorships) and off market transfers/transactions as provided by the depositories and the same is mentioned as under:

S. No.	Entity Name	Basis of connection
1	Noticee 3	He is father of Noticee 1 and 4 as per KYC documents obtained from the respective brokers and all three of them share common residential address. He was connected to Noticee 5 through bank transfers to Kapadia Corporation of which, Noticee 5 was a joint holder.
2	Noticee 1	He is son of Noticee 3 and brother of Noticee 4 as per KYC documents obtained from the respective brokers and all of them share common residential address.

		Noticee 1 was connected to Noticee 6 through fund transfer as per bank statement and through phone calls as per their respective CDRs.
3	Noticee 4	He is son of Noticee 3 and brother of Noticee 1 as per KYC documents obtained from the respective brokers and all of them share common address.
4	M/s Vivid Mercantile Limited (Vivid)	It is a BSE listed company and had migrated from SME to main board in 2022. It was connected to DOL as they shared a common director, Satish Sheth. DOL and one of its directors, viz, Mahendra Ramniklal Shah held 7.38% in Vivid Mercantile Limited also had banking transactions with DOL.
5	Noticee 5	She was connected to Noticee 3 through bank transfers to Kapadia Corporation of which she was a joint holder.
6	Noticee 6	Noticee 10 had traded in the shares of the company and was connected to Noticee 1 through fund transfer as per bank statement and through phone calls as per their respective CDRs.
7	Noticee 11	She is wife of Noticee 6.
8	Noticee 10	He is brother of Noticee 6.
9	Noticee 8	Aided in posting of recommendations on Telegram app
10	Noticee 7	Aided in posting of recommendations on Telegram app

**16.5 Trading by identified entities:** It was observed that during the IP Mehul Shah, Noticee 7 and 8 had not traded in the shares of DOL. Summary of the trading done by Noticees 1,3 4,5,6, 10 and 11 and Mahendrabhai Ramniklal Shah at BSE during the IP is as below:

*Source: Report culled out from Trade Log obtained from BSE*

Sr. No.	Client name	Buy Traded Qty	% of buy qty to total qty traded	Sell Traded Qty	%Sell qty to total qty traded
1	Dilip Ramanlal Doshi (Noticee 3)	4,88,714	5.31%	6,30,512	6.85%
2	Sh Aakash Doshi (Noticee 1)	3,68,662	4.00%	4,50,166	4.89%
3	M/s Vivid Mercantile Limited	1,94,096	2.11%	8,40,837	9.13%
4	Richi Dilip Doshi (Noticee 4)	1,71,291	1.86%	2,46,847	2.68%
5	Kruti Kevin Kapadia (Noticee 5)	1,60,928	1.75%	1,68,712	1.83%
6	Darshan Gandhi (Noticee 10)	53,338	0.58%	53,838	0.58%
7	Dhanpal Gandhi (Noticee 6)	7,352	0.08%	10,271	0.11%
8	Smt Jalpa Dhanpal Gandhi (Noticee 11)	1,911	0.02%	2,307	0.03%
9	Sh Mahendrabhai Ramniklal Shah	0	0.00%	4,42,568	4.81%
	<b>Total</b>	<b>1446292</b>	<b>15.71%</b>	<b>2846058</b>	<b>30.91%</b>
	<b>Market total</b>	<b>9208176</b>	<b>100.00%</b>	<b>9208176</b>	<b>100.00%</b>

## 16.6 Findings of investigation with respect to Telegram Channel:

16.6.1 It was observed that two messages pertaining to the scrip of DOL were circulated on Telegram Channel for trading in the scrip. One message was circulated on February 24, 2022 and another one on March 04, 2022.



16.6.2 The message on February 24, 2022 read as “*DELIVERY BUY CALL JACKPOT....DARSHAN ORNA LTD...BSE CODE 539884 BUY HUGE QTY FOR BIG PROFIT...BUY AT 127-132 MARKET CAP 120CR...1<sup>ST</sup> TARGET 200....2<sup>ND</sup> TARGET 250STOP LOSS 100SURESHOT CALL MEANS SHURESHOT*”.

16.6.3 The message on March 04, 2022 read as “nifty 16890 to 16250.....*DARSHAN ORNAMENTS...116 TO 145...MANY MORE TO COME*”

16.6.4 As per the screenshots, these messages were exchanged between Noticee 7 and 8 and one account ‘*Trusted Book Online*’. Also, it was observed during statement recording before the IA in the scrips of M/s Superior Finlease Limited and M/s Swarnim Trade Udyog Limited, Noticee 8 had admitted that he had met one Mehul Shah and Noticee 6 in Mumbai for posting recommendations in the scrip of DOL.

16.6.5 From examination of CDRs of Noticee 8, phone number of Noticee 6 was culled out and the Customer Application Form (CAF) obtained from namely, Vodafone {Telecom Service Provider (“TSP”)} revealed that his full name was Dhanpal Gandhi, who was also found to have traded in the scrip of DOL during the IP.

16.6.6 Further, examination of the call records during the investigation revealed that Noticee 6 (phone number: 997XXXX689) had spoken to Noticee 7 (phone number: 952XXXX559) during the IP. Noticee 7 was also named by Noticee 8 in his statement recording as one of the representatives with whom he had dealt for posting recommendations on Telegram but not for DOL. It was observed from CDR of Noticee 6 from October 01, 2021 till June 30, 2022 that Noticee 7 was found to be in touch with him through phone calls on the following days:

**Calls between Dhanpal (Noticee 6) and Amesh (Noticee 7) as per CDRs**

Date of calls	No of calls	Total duration of calls during the day
22/01/2022	1	12 Sec
05/02/2022	1	69 sec
12/02/2022	1	60 sec
15/02/2022	25	716 sec
16/02/2022	5	315 sec
19/02/2022	1	28 sec
08/03/2022	2	140 sec

10/04/2022	1	88 sec
04/05/2022	1	101 sec
27/05/2022	1	66 sec
01/06/2022	1	33 sec

16.6.7 It was observed from the CDRs of Noticee 6 and 7, that there were no calls between them in 2021. However, the calls peaked in the mid of February 2022. In his statement recorded before the IA on October 17, 2023, Noticee 6 had admitted to meeting Noticee 8 once along with Mehul Shah and being introduced to Noticee 7 through Viral Kapadia though he denied talking to Noticee 7 on calls. However, it was observed that his CDR indicated otherwise. The fact that Noticee 7 got the recommendations posted by messaging Noticee 8, while actively engaging with Noticee 6 also allegedly evidenced his role in the entire scheme. It was further observed that Noticee 7 was actually the link between Noticee 6 and 8.

16.6.8 It was observed that the active involvement of these entities (Noticees 6, 7 & 8) in posting recommendations on Telegram pertaining to the scrip of DOL started in the mid of February 2022 and that SEBI had conducted search and seizure at the premises of Noticee 8 on March 10, 2022. Therefore, only two messages, one dated February 24, 2022 and another dated March 04, 2022 pertaining to DOL were recovered from the device of Noticee 8 (as per the images taken during search and seizure) and as per the screenshots available from the mobile phone of Noticee 8, it was observed that he had further forwarded those recommendations for posting to a Telegram channel in the name of Trusted Book Online (TBO). However, the owner of the said account could not be traced during the investigation..

16.6.9 Bank statements of Noticee 8 and entities related to him were also examined to check for fund movement pertaining to posting of recommendation of the scrip of DOL on Telegram. However, the bank statement did not indicate any transfer of funds from the aforementioned entities to/from Noticee 8 between February 15, 2022 to March 10, 2022. It was thus observed that the commission might have exchanged hands through cash and the said observation was based on the acceptance of

Noticee 8 in his statement recorded on June 23, 2022, that he was receiving commissions in cash as well.

16.6.10 It was observed that Noticee 7 had admitted that he might have met Noticee 6 through one Mr. Viral Kapadia. He also admitted to working with Noticee 8 for manipulating certain scrips. Though he denied working in the scrip of DOL, however, his calls to Noticee 6 during the IP, suggested otherwise.

16.6.11 It was also observed from the CDR of Noticee 7, that he was continuously in touch with Noticee 8 since December 05, 2021 till March 09, 2022 i.e. a day prior to the date when search and seizure took place. He was also found to be talking regularly to Noticee 6 and as per the Telegram Messages found on Noticee 8's phone, it was observed that the exact messages to be posted on Telegram for recommendations were being sent by Noticee 7 to him.

16.6.12 Further, as per the location analysis through CDRs of Noticee 6, 8 and Mehul Shah, it was observed that all three of them had met on February 23, 2022. Thus, the statement given by Noticee 8 for having met Noticee 6 and Mehul Shah was corroborated.

16.6.13 In view of the aforementioned, it was observed that Noticee 6 and 7 had played a pivotal role in getting the recommendations posted on Telegram through Noticee 8 and Noticee 7 had introduced Noticee 6 to Noticee 8, who met him directly in-person along with Mehul Shah. As mentioned above, Noticee 6 had also traded in the scrip of DOL. Additionally, Noticee 7 was also in touch with Noticee 8 for posting recommendations on Telegram in the scrip of DOL.

#### **16.7 Impact of recommendations posted on Telegram on the Price and Volume of the scrip of DOL:**

16.7.1 As per the Price Volume Chart of the scrip on BSE, trading in the shares of the scrip of DOL underwent a major change, which is also evident from the table below:

Date of Telegram Messages	February 24, 2022 and another on March 04, 2022	
	Volume	Change in price (in ₹)

Volume and rise in price for 30 days prior to Telegram messages i.e. from January 24, 2022 till February 23, 2022 <b>(22 trading days)</b>	9,98,248	Close of ₹95.9 to ₹125.75
Volume and rise in price during the period February 24, 2022 till March 04, 2022 <b>(6 trading days)</b>	11,13,126	Close of ₹126.1 to ₹146.7
Volume and rise in price for 30 days post to Telegram messages i.e. from March 07, 2022 till April 04, 2022 <b>(20 trading days)</b>	10,88,706	Close of ₹139.4 to ₹78.65

16.7.2 It was observed from the above table that the dissemination of information through Telegram channel played a major role in contribution to the volume of the scrip. The volume of the scrip which was 9,98,248 for 22 trading days increased to 11,13,126 in 6 trading days and continued with the same trend for another 20 trading days. In view of the foregoing, it was observed that posting of recommendations on Telegram indeed, had impacted the Price and Volume of the scrip of DOL.

#### **16.8 Analysis of increase in price and volume:**

16.8.1 It was observed that the continuing trend, post the dates when the messages were posted on Telegram, indicated that there were other factors as well which contributed to the price volume rise of the scrip of DOL and in order to ascertain if there were other factors that contributed to the said rise, analysis with respect to volume variation viz. synchronized trades, price variation analysis viz. Last Traded Price (LTP), New High Price (NHP) and First Trade analysis was carried out.

#### **16.9 Synchronized Trades in the scrip of DOL during the IP:**

16.9.1 Details of synchronized trades (where the buy and sell order quantities and rates were identical, and orders for those transactions were placed within time gap of one minute) among identified entities are given below:

*Source: Report based on Trade Log obtained from BSE*

Patch	Period	Gross buy qty of identified entities	Gross sell qtt of identified entities	Total traded qty of identified entities	Synchronized traded qty by identified entities	Synchronized trades as % of total market volume

1	Sep 01, 2021 till Mar 04, 2022	11,15,579	13,55,964	24,71,543	71,316 (51 trades)	2.01%
2	Mar 07, 2022 till Jun 10, 2022	3,30,712	11,49,772	70,246	244 (1 trade)	0.35%
2	Jun 11, 2022 till Jun 30, 2022	1*	1,779,230*	17,79,231	-	-
<b>Entire IP</b>		<b>14,16,292</b>	<b>42,84,966</b>	<b>57,31,257</b>	<b>71,560</b>	<b>0.96%</b>

\* post stock split period

16.9.2 From the above table, it was observed that the synchronised trades amongst identified entities contributed to 2.01% of the total market volume in Patch I i.e. the patch of price rise. Since only 1 and 0 trades in patch II and III respectively contributed to synchronised trades, only the trades of Patch I was examined in detail and thus, the details of the Noticees 1,3,4,5,6,10,11 and others involved in synchronized trading in patch I is given below;

**Source: Report based on Trade Log obtained from BSE**

Client name	Total traded qty during the IP by identified entities	Synchronized traded qty by identified entities	Syn traded qty as % of total traded qty among identified entities	Sync trades as % of total market volume during IP
Dilip Ramanlal Doshi (Noticee 3)	74751	16966	7.74%	0.48%
Aakash Doshi (Noticee 1)	50366	22388	10.21%	0.63%
Richi Dilip Doshi (Noticee 4)	27908	12031	5.49%	0.34%
M/s Vivid Mercantile Limited	7720	0	0.00%	0.00%
Kruti Kevin Kapadia (Noticee 5)	42532	18231	8.32%	0.51%
Jalpa Dhanpal Gandhi (Noticee 11)	0	0	0.00%	0.00%
Dhanpal Gandhi (Noticee 6)	207	0	0.00%	0.00%
Darshan Gandhi (Noticee 10)	15753	1700	0.78%	0.05%
Mahendrabhai Ramniklal Shah	0	0	0.00%	0.00%
<b>Total</b>	<b>219237</b>	<b>71316</b>	<b>32.53%</b>	<b>2.01%</b>

16.9.3 From the above table, it was observed that the Noticees 1,3,4 ,5,6,10, 11, M/s Vivid Mercantile Limited and Mr. Mahendrabhai Ramniklal Shah through 51 synchronized trades among themselves, contributed to 2.01% of total market volume and Rs 21.45 to net LTP. Noticee wise synchronized trades details are given below:

Buyer Name	Seller Name	Synchronized Quantity	Sum of LTP diff	Number of days	Number of trades	%Market volume
Dilip Ramanlal Doshi (Noticee 3)	Aakash Doshi (Noticee 1)	15965	2.90	4	4	0.45%
Dilip Ramanlal Doshi (Noticee 3)	Darshan Gandhi (Noticee 10)	1	-0.05	1	1	0.00%
Dilip Ramanlal Doshi (Noticee 3)	Kruti Kevin Kapadia (Noticee 5)	1000	0.95	1	1	0.03%
Aakash Doshi (Noticee 1)	Dilip Ramanlal Doshi (Noticee 3)	1510	-0.15	2	2	0.04%
Aakash Doshi (Noticee 1)	Richi Dilip Doshi (Noticee 4)	10878	-0.35	5	8	0.31%
Aakash Doshi (Noticee 1)	Kruti Kevin Kapadia (Noticee 5)	10000	0.35	6	8	0.28%
Richi Dilip Doshi (Noticee 4)	M/s Vivid Mercantile Limited	5199	1.15	2	3	0.15%
Richi Dilip Doshi (Noticee 4)	Aakash Doshi (Noticee 1)	6832	-0.40	5	6	0.19%
Darshan Gandhi (Noticee 10)	Aakash Doshi (Noticee 1)	1700	-3.70	2	3	0.05%
Kruti Kevin Kapadia (Noticee 5)	Dilip Ramanlal Doshi (Noticee 3)	996	0.00	1	1	0.03%
Kruti Kevin Kapadia (Noticee 5)	Aakash Doshi (Noticee 1)	17215	18.50	9	13	0.49%
Kruti Kevin Kapadia (Noticee 5)	Dhanpal Gandhi (Noticee 6)	20	2.25	1	1	0.00%
<b>Total</b>		<b>71316</b>	<b>21.45</b>	<b>29</b>	<b>51</b>	<b>2.01%</b>

#### 16.10 Analysis of Last Trade Price (LTP) and New High Price (NHP):

##### LTP analysis in Patch-1 (September 01, 2021 to March 04, 2022) - Patch of price rise

16.10.1 During Patch I i.e. the patch of price rise, it was observed that the price of the scrip of DOL opened at Rs.64.0 and touched period high of Rs.147 on March 04, 2022 and closed at Rs.146.70 on March 04, 2022.

Source: Report based on Trade Log obtained from BSE

	All Trades	LTP diff >0	LTP diff <0	LTP diff=0	
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Client Name	LTP Impact	Traded Qty	No of Trades	LTP Impact	Traded Qty	No of Trades	LTP Impact	Traded Qty	No of Trades	Traded Qty	No of Trades	% LTP to total market positive LTP
Aakash Doshi (Noticee 1)	833.25	368662	4919	1203.70	90538	795	-370.45	102911	1327	175213	2797	23.44%
Kruti Kevin Kapadia (Noticee 5)	618.95	78511	641	700.85	29993	327	-81.90	19751	139	28767	175	13.65%
Richi Dilip Doshi (Noticee 4)	256.90	146291	1446	455.50	37029	340	-198.60	43975	642	65287	464	8.87%
Dilip Ramanlal Doshi (Noticee 3)	95.20	398484	4502	432.75	72181	551	-337.55	102784	1744	223519	2207	8.43%
Akram Yahiya Khan	54.65	210	28	57.60	29	22	-2.95	62	3	119	3	1.12%
Nakul Paresh Bhalakia	23.65	3119	50	34.75	160	14	-11.10	1921	24	1038	12	0.68%
Ashutosh Ranjan	21.05	54	13	21.55	33	6	-0.50	3	3	18	4	0.42%
Srinu Tella	19.05	34	9	19.05	28	7	0.00	0	0	6	2	0.37%
<b>Total</b>	<b>1956.55</b>	<b>996033</b>	<b>11625</b>	<b>2961.00</b>	<b>230355</b>	<b>2073</b>	<b>-1004.45</b>	<b>271408</b>	<b>3883</b>	<b>494270</b>	<b>5669</b>	<b>57.66%</b>
<b>Market total</b>	<b>83.70</b>	<b>3547106</b>	<b>44327</b>	<b>5134.90</b>	<b>709305</b>	<b>7882</b>	<b>-5051.20</b>	<b>769561</b>	<b>10634</b>	<b>2068240</b>	<b>25811</b>	<b>100.00%</b>

16.10.2 Further, top 10 LTP contributors among buyers contributed Rs.1956.55 to net LTP and Rs. 2961.00 to total market positive LTP. Noticees 1, 3, 4 and 5 were the top LTP contributors with contribution of Rs.1804.30 to net LTP and Rs. 2792.80 to total market positive LTP.

16.10.3 Upon analysis of the counterparties to the positive LTP trades of Noticees 1, 3, 4 and 5, it was observed that the counterparties were group entities in 240 positive LTP trades and through trades among themselves, they had contributed 4.97% to market positive LTP.

16.10.4 It was observed that Noticee 1, Noticee, Noticee 4 and Noticee 5 had started buying shares in the scrip in early 2021, when the trading volume was very thin. The following table details the first trades in the scrip of DOL by them:

Name of the entity	Date of first trade	No of trades and no of shares traded by the entity	No of shares traded no of shares traded in the scrip on that day	Avg purchase price in the scrip (in ₹)
Aakash (Noticee 1)	12-Jan-2021	20 and 3070	26 and 3292	12.50
Dilip (Noticee 3)	18-Jan-2021	11 and 50,000	25 and 57842	14.83
Richi/Aakash/Dilip (Noticee 4/1/3)	16-Mar-2021	26 and 1,35,000	350 and 2,35,450	12.2
Kruti (Noticee 5)	12-Feb-2021	2 and 31	27 and 37125	13.5

16.10.5 It was observed from the trade log of DOL that Noticees 1, 3, 4 and 5 were not only buying but also selling intermittently, through providing two way buy and sell, giving an impression of increased volume of buyers as well as sellers in the scrip. Noticees 1, 3 and 4 had started buying the shares since January 2021 in the scrip at Rs.11 approximately and bought till March 2022, when the price was Rs.146/-. Post March 2022, the shares fell to Rs. 40/-. All the 4 Noticees i.e. 1, 3, 4 and 5 were observed to have exited the scrip completely by end of May 2022 at an average price of Rs 44.

16.10.6 It was observed from above that none of the Noticees 1, 3, 4 and 5 were net buyers, and the other identified entities i.e. Noticee 6, 10 and 11 had acted as sellers to the buy trades of Noticee 1, 3, 4 and 5, thus lowering the LTP in many instances. It was observed that Noticees 1, 3 and 4 were buying shares at Rs.11 then at Rs.146 and finally at Rs.40 also. This erratic pattern of buying the shares in the scrip at any price indicated that the trades were undertaken by them in the scrip allegedly to aid the manipulation of price and volume in the scrip of DOL and not to transfer beneficial ownership.

#### **16.11 NHP analysis in Patch-1 (September 01, 2021 to March 04, 2022) - Patch of price rise**

16.11.1 During patch-1, price of the scrip of DOL moved from open price of Rs.64.0 to a high price of Rs.147.0 and Rs. 83.00 as the NHP was created.

16.11.2 It was observed that the Noticees 1, 3, 4, 5 and 10 as a group contributed Rs. 30.75 to market NHP, which constituted 37.05% of market NHP and



most of these orders were being placed for quantities of 100 or less and thus these trades were observed to have been giving a wrong signal to the market that there were attractive buy opportunities. However, as detailed above, the price and volume in the scrip was allegedly being increased with an intent to manipulate the same.

16.11.3 In trades with the group, Noticees 1, 3, 4, 5 and 10 had contributed Rs. 5.70 to market NHP and in remaining trades with the non-group entities in which they had placed buy order first, they had contributed Rs. 2.40 to NHP.

**16.12 First trade analysis in Patch-1 (September 01, 2021 to March 04, 2022) - Patch of price rise**

16.12.1 It was observed that the Noticees 1, 3, 4, 5, 6 and 11 were buyers in 63 first trades, had contributed Rs 84.50 to market positive LTP and in 4 first trades, the counterparty was a group entity. In first trades among themselves Noticees 1, 3, 4, 5, 6 and 11 had contributed Rs.10.0 to positive LTP and in remaining 59 first trades with non-group entities, Noticees 1, 3, 4, 5, 6 and 11 had contributed Rs. 74.5 to positive LTP, of which in 16 first trades, Noticees 1, 3, 4, 5, 6 and 11 had placed buy order first and had contributed Rs.13.6 to positive LTP.

16.12.2 Further, trade log was analysed for these 63 trades and it was observed that 51 out of 63 first trades of Noticees 1, 3, 4, 5, 6 and 11 were for 100 shares or less out of the aggregate order quantity of 1242 shares. Hence, it was observed that the trading pattern of all these Noticees 1, 3, 4, 5, 6 and 11, was allegedly establishing high price through first trades.

**16.13 Observations on the trades of Noticees 1,3,4,5,6,10,11 in patch I:**

16.13.1 It was observed from PV data of DOL during the IP, that the trades in the scrip of DOL were miniscule in number, prior to the IP and there was a sudden increase in the number of shares traded during the IP and prior to the IP, it was observed that Noticees 1, 3 and 4 had started accumulating shares of DOL from January 2021.

16.13.2 As per the shareholding pattern of DOL for the quarter ended in March 2021 and June 21 as shown in the list of shareholders holding more than

1%, Noticee 3 had held 1.95% and 1.82% of the shares of DOL respectively and this shareholding of Noticee 3 had increased to 2.14% for the quarter ended in September 2021. In the same quarter, holding of Noticee 1 had also increased to 1.13%. It was observed that Noticee 1, 3 and 4 had further increased their concentration in the scrip with a holding of 2.54%, 1.09% and 1.1% respectively for the quarter ended in December 2021.

16.13.3 It was observed that although DOL had weak financials, its scrip was illiquid and there was no announcements in public domain, which could throw light on its increasing business. Despite the above, the accumulation of shares of DOL by Noticees 1, 3 and 4 had kept on increasing.

16.13.4 It was observed that by March 2022, all the holdings of Noticees 1, 3 and 4 had become miniscule with Noticee 3 holding 0.04%, Noticee 1 holding 0.02% and Noticee 4 holding 72 shares. As already mentioned in pre-paras above, it was observed that the Noticees 1, 3 and 4 had contributed to rise in LTP of the shares of DOL and all of them being a net seller during the IP evidenced the fact that the trades were allegedly not being undertaken for beneficial ownership in the DOL but to inflate its price and volume.

16.13.5 The profits earned by the Noticees 1, 3, 4, 5, 6, 10 and 11 since they started trading from 2021 till the last date of IP is tabulated below:

Name of entity	PAN	Profit earned ( in ₹)
Dilip Ramanlal Doshi (Noticee 3)	AACPD8647A	1,29,09,550
Aakash Doshi (Noticee 1)	AILPD8283D	82,68,418
Richi Doshi (Noticee 4)	AILPD8286G	55,27,913
Kruti Kevin Kapadia (Noticee 5)	BCRPK1909C	-18,83,309
Dhanpal Gandhi (Noticee 6)	AJZPG6251F	1,18,358.80
Jalpa Dhanpal Gandhi (Noticee 11)	AAMPZ3878P	28,466.30
Darshan Gandhi (Noticee 10)	AMLPG7801J	1,38,612.30
<b>Total</b>		<b>2,51,08,009.40</b>

#### **16.14 Examination of Bank Statements of the Noticees:**

16.14.1 Upon analysis of the bank statements of the Noticees, it was observed that the statements revealed that most of them did not have sufficient balance

in their bank accounts and were being funded by other entities. In this regard, it was observed that most of the credit in the account of Noticee 3 was received from Suken Exports and that Suken Exports was a proprietorship firm of Noticee 3 along with his partner Sanjay Jaykant Shah, who were into the business of Gems and Jewellery.

16.14.2 Other than Suken Exports, Noticee 3 was found to have received a large amount of credit from Noticee 9. The credits received from Noticee 9 in the bank account of Noticee 3 maintained with Axis Bank during the period when Noticees 1, 3 and 4 were buying the shares of DOL are as mentioned in the table below:

Date of credit	Amount (in Rs)
27/07/2021	5,00,000
05/08/2021	5,00,000
29/09/2021	5,00,000
11/10/2021	15,00,000
14/10/2021	1,00,000
03/11/2021	5,00,000
08/11/2021	2,00,000
23/11/2021	8,00,000
<b>Total</b>	<b>46,00,000</b>

16.14.3 It was further observed that 90% of this amount amount i.e. Rs 41.5 lakhs in a period of six months, was transferred back to Noticee 9 during the IP from the bank account of Noticee 3 maintained with Axis Bank. The relevant bank transactions are as mentioned in the table below:

Date of credit	Amount (in Rs)
07/12/2021	9,50,000
04/03/2022	16,00,000
16/03/2022	5,00,000
22/03/2022	4,00,000
30/03/2022	2,00,000
05/04/2022	3,00,000
06/04/2022	2,00,000
<b>Total</b>	<b>41,50,000</b>

16.14.4 It was thus alleged that Noticees 1, 3 and 4 were funded by Noticee 9 for their trades and 90% of this amount was also returned to him by them,

once they started selling shares. Further, it was observed that prior to this period, there was no exchange of funds between them.

16.14.5 It was observed from the bank statements of Noticees 1,3,4 and 9, that the amount transferred by Noticee 9 to Noticee 3 was transferred to the respective brokers for buying shares of DOL.

16.14.6 Further, it was observed that Noticee 9 is MD of a SEBI registered Merchant Banker, First Overseas Capital Limited (“FOCL”), which is into SME IPOs, and FOCL was the Merchant Banker to SME IPO of DOL as well.

16.14.7 It was observed that, vide email dated February 12, 2024, details regarding the said transfer and his relationship with Noticee 1 and 3 were sought from Noticee 9. In response to the same, Noticee 9, vide email dated February 13, 2024, had stated the following:

- (i) *Dilip was a neighbour at that time and a dear friend he knew that he was in the Diamond Business. He on several occasions had requested for some friendly short term loans and hence obliged him.*
- (ii) *He had met Aakash a couple of times in the building whilst travelling in the same elevator more so as an acquaintance but only interacted once with him along with his father socially at a society dinner. Soon after that they moved out of the building.*

16.14.8 With regard to the aforementioned, it was observed from the reply of Noticee 1, vide email dated February 18, 2024 that during 2021-22, he was staying at Tirupati apartment in Breach candy while Noticee 3’s address is at Cumballa Hill, which is 500 metres from Noticee 1’s place and not the same building. Hence, submission of Noticee 1 was alleged to be fallacious.

16.14.9 Examination of CDR of Noticee 3 revealed that Noticee 9 had not spoken to Noticee 3 anytime during the IP, whom he claimed to be his dear friend. Further, CDRs of Noticee 1 with phone number 84XXXXXX56 and Noticee 9 with phone number 98XXXXXX00 revealed that Noticee 9 had spoken to Noticee 1 on 10 occasions during the IP with the longest call on May 28, 2022 for 3709 seconds (approx. 1 hour), whom he claimed to be an

acquaintance and had met in the building elevator. Therefore, it was observed that his submissions apparently could not be relied upon. Also, as per their respective CDRs, it was observed that Noticee 1,3, 4 had never spoken to Noticee 9, on phone in 2021.

16.14.10 As mentioned above, the amount of Rs. 46 lakhs was not even returned to Noticee 9 in full. Thus, it was observed that the transactions between them indicated that the intention was not to give the amount as a short term loan but for allegedly aiding in manipulating the scrip of DOL.

16.14.11 In view of the foregoing, it was observed from the CDRs that Noticee 1 was well known to Noticee 9. The funding transactions without return of the entire amount indicated that Noticee 9 had indeed funded the purchase of shares of DOL.

16.14.12 Further, upon perusal of the bank statement of Noticee 3, it was observed that there were transfers of amount from Kapadia Corporation (a proprietary firm co-owned by Noticee 5 and her father in law) to the tune of Rs 32,00,000/- and Noticee 5 was also found to be one of the main contributors to LTP, NHP and first trades as detailed in pre paragraphs.

16.14.13 It was also observed that Noticee 6 had received payments from Kapadia Corporation and he was found to be connected to Noticee 2 through phone calls and their own submissions during statement recordings. The following table provides details regarding the same:

Date of credit	Amount ( in Rs)
01/09/2022	2,00,000
02/09/2022	1,15,000
21/01/2023	99,000

16.14.14 It was also observed from the bank statement of Noticee 6 that he had received credits to the tune of Rs 6,31,000/- and transferred back Rs 1,81,000/- i.e. a total of Rs 4,50,000/- during the period March 2022 till March 2023 from Malav Shah (hereinafter referred to as "Malav"). Malav is the same entity who had received Rs 4,00,000/- from Noticee 3 on August 31, 2021. Even Noticee 6 had received an amount of Rs 19,000/- from Noticee 1 on February 10, 2022 directly and Rs 2,00,000/- from

Noticee 3 on February 12, 2021. Further, Noticee 6 was also allegedly found to have funded the accounts of his brother, Noticee 10 and wife, Noticee 11 for transacting in the shares of DOL.

16.14.15 Thus, from the aforementioned transactions, it was observed that Noticee 2 was funding the Doshi family (Noticee 1, 3 and 4) as well as Noticee 6 by using the banking account of the prop firm, Kapadia Corporation and Noticee 3 was also funding Noticee 6 through his account.

#### **16.15 Examination of Call Data Records (CDRs) of the identified entities:**

16.15.1 Upon examination of CDRs of Noticee 1 (phone number 84XXXXXX56) and Noticee 2 (phone number 88XXXXXX45), it was observed that there were 1617 calls between them during the period October 01, 2021 till June 30, 2022. Similarly, it was observed that Noticees 1 and 4 spoke with Noticee 6, for 515 times from October 2021 till May 2022 and with Noticee 2 for 1018 times. It was also observed that the frequency of calls between them had started decreasing post March 2022 which, which, was the time by which the entire scheme had already been implemented.

#### **16.16 Examination of trading pattern of identified entities:**

16.16.1 The trading history of Noticees 1,3,4,5,6 10 and 11 was obtained from BSE, vide email dated October 04, 2023. The following table represents their trading pattern during the IP vis-a-vis their total trades in cash segment:

Name of the entity	No of scrips in which trades took place	Total buy quantity	Total sell quantity	Shares bought in DOL		Shares sold in DOL	
				No	% of total buy	No	% of total sell
Aakash (Noticee 1)	12*	5,04,036	6,45,853	368662	73%	450166	60%
Richi (Noticee 4)	9*	815596	1305151	488714	60%	630512	48%
Dilip (Noticee 3)	19*	231645	315947	171291	73.9%	246847	78%

<b>Kruti (Noticee 5)</b>	16*	563399	519601	160928	28%	168712	32%
<b>Dhanpal (Noticee 6)</b>	12*	31297	53738	7352	23.5%	10271	19%
<b>Jalpa (Noticee 11)</b>	7*	8067	7543	1911	23.7%	2307	30.6%
<b>Darshan (Noticee 10)</b>	27*	347914	343288	53338	15.3%	53838	15.7%

\* Including trades in the scrip of DOL

16.16.2 It was observed from the trading pattern of Noticees 1, 3 and 4, that most of their trades were concentrated in DOL for a period of 9 months. With their major source of income from trading in stock market, it was observed that the exposure taken by them in DOL was not for investment in the scrip but to allegedly manipulate the price and volume of the scrip of DOL.

#### **16.17 Observations/ inferences from the statements of Noticees**

16.17.1 Noticee 1, in his first statement recorded on oath had admitted that he was trading on behalf of his father and brother. He had also admitted that Noticee 2 had introduced him to Noticee 6 and that Noticee 6 required some urgent money and that he had lent him Rs 3-5 lakhs during that time. He even admitted to meeting Noticee 6, 2-3 times in Mumbai but denied having talked to him frequently. He also admitted to not knowing the company in detail.

16.17.2 Noticee 3 had admitted that he didn't trade in his own account and that his son, Noticee 1 used his account for trading in cash segment. He submitted that his bank account in Axis Bank was held jointly with Noticee 1, who used to operate the account and net banking was also used by Noticee 1. Noticee 4 had also submitted that his trading account was being used by his brother, Noticee 1 for trades in cash segment. It was thus observed that the statement of Noticee 3 and Noticee 4 made it clear that Noticee 1 was the one using those accounts. Further, investigation had already revealed that Noticee 1 had only met Noticee 6, who further contacted Noticee 7 for getting recommendations posted on Telegram. However, the statements given by him with respect to meeting Noticee 6 and providing

funds to him did not match with the statement given by him during the second time.

- 16.17.3 It was observed that the extracts of the bank statements sent by him had reference to an amount of Rs 2 lakhs only instead of Rs 3-5 lakhs but no transaction of return of that amount was forwarded by him. Upon perusal of the bank statements in his name, it was observed that there was no trace of money coming from Noticee 6. Further, as already mentioned above, Noticee 3 had admitted that the bank account of Axis bank was handled by his son, Noticee 1, but the same was denied by Noticee 1. It was thus observed that the statement given by Noticee 1 were just after thoughts and that his statements could not be relied upon.
- 16.17.4 Noticee 2 had admitted that he had met Noticee 6 in 2019-20 through his friend Kunal Shah, who is Noticee 6's cousin. His financial situation was bad and was asking loan for about Rs 7-8 lakhs but could not give him. However, perusal of the banking transactions of Noticee 6 revealed that Kapadia Corporation, which was the proprietary firm co-owned by Noticee 2's wife and father in law had transferred about Rs 4 lakhs into the account of Noticee 6. It was thus observed that the statement given by Noticee 2 were also untrue and could not be relied upon.
- 16.17.5 It was observed that Noticee 6 had admitted during statement recordings on both occasions that Noticee 1 and 2 had formulated the scheme and that he was promised a sum of money for his role in the said scheme.
- 16.17.6 It was observed that the shares of DOL were thinly traded prior to IP i.e. the scrip of DOL was relatively very illiquid. However, during the IP, the price of the scrip opened at Rs 64/-, touched a high of Rs 150/- on March 07, 2022 and closed at Rs 4.35 on June 30, 2022. It was observed that w.e.f June 11, 2022, the shares of the company were split in a ratio of 1:5 (face value of Rs 5 each was divided into five shares of Rs 1 each) and that a promoter/ director of DOL namely, Mahendrabhai was also observed to have sold some shares of approx. 2% of the total share capital of DOL.



- 16.17.7 It was observed that the top 10 LTP contributors among buyers contributed Rs 1956.55 to net LTP and Rs 2961.00 to total market positive LTP. Noticee 1, 3, 4 and 5 were the top LTP contributors with contribution of Rs 1804.30 to net LTP and Rs 2792.80 to total market positive LTP. Upon analysis of the counterparty trades, it was observed that the counterparties were group entities in 240 positive LTP trades and through trades among themselves, they had contributed 4.97% to market positive LTP.
- 16.17.8 In view of the foregoing, it was alleged that the price and volume of the scrip of DOL was manipulated and Noticees 1 and 2, were the main perpetrators of the scheme, wherein Noticee 1 had started buying the shares of DOL in his own account and accounts of Noticees 3 and 4. Further, it was alleged that, Noticee 1 was assisted by Noticee 2, who used account of Noticee 5 to trade in the shares of DOL and also funded Noticees 1,3,4 and 6. It was also alleged that a connected entity of Noticees 1 viz, Noticee 9 had funded the purchase of shares of DOL on numerous occasions by Noticees 1,3 and 4 and barring Noticees 7,8 and 9, all other Noticees were alleged to have collectively increased the price of shares during the patch of price rise by increasing the LTP, creating a New High Price and numerous first trades of 100 shares or less.
- 16.17.9 It was further alleged that the trading activity in the scrip of DOL coupled with messages on Telegram had allegedly created an impression of increased price and volume in the market, which had allegedly influenced the gullible investors to purchase the shares of DOL, which was evident from the fact that during the same time, the number of public shareholders witnessed a huge jump from 1732 to 7536 i.e. an increase by 335% during the quarter of January 2022 to March 2022 with a change in price from an open price of Rs 77/- on January 03, 2022 (January 01 and 02 being trading holidays) to the highest closing of Rs 146.7 on March 04, 2022. Further, it was alleged that the Noticees 1,3,4,5,6,10 and 11 apparently had together made a profit of Rs 2,51,08,009.40.
- 16.17.10 Accordingly, the trading history of identified entities, their trading pattern coupled with the banking transactions and CDRs allegedly evidenced the

fact that Noticees 1 and 2 had allegedly devised a scheme to manipulate the price and volume of the shares of DOL by using their own accounts (except Noticee 2) and the accounts of their family members.

**16.18 Based on the above, the following was alleged:**

16.18.1 Noticees 1 and 2 have violated Section 12A(a),(b) and (c) of SEBI Act, r/w Regulations 3(a),(b),(c),(d), 4(1), 4(2)(a),(b),(d) and (e) of PFUTP Regulations;

16.18.2 Noticees 3-6 have violated Section 12A(a),(b) and (c) of SEBI Act r/w Regulations 3(a),(b),(c),(d),4(1),4(2)(a),(b) and (e) of PFUTP Regulations;

16.18.3 Noticees 7 and 8 have violated Section 12A(a),(b) and (c) of SEBI Act, r/w Regulations, 3(a),(b),(c),(d),4(1),4(2)(a) of PFUTP Regulations;

16.18.4 Noticee 9 has violated Section 12A (a),(b) and (c) of SEBI Act, r/w Regulations, 3(a), (b), (c), (d), 4(1), 4(2) (d) of PFUTP Regulations and;

16.18.5 Noticees 10 and 11 have violated Section 12A (a), (b) and (c) of SEBI Act, r/w Regulations, 3(a),(b),(c),(d),4(1),4(2)(a),(b) and (e) of PFUTP Regulations.

**17. Submissions of the Noticees 1, 3, 4, 6-11**

***Common submissions of Noticees 1, 3 and 4***

*17.1 SCN suffers from great delay and latches as the impugned transactions pertain to the period 01.09.2021 to 30.06.2022, whereas the SCN was issued on 01.07.2024 and hence there is a delay of more than 2 years in issuance of SCN from the date of completion of the IP.*

*17.2 As regards para 12 of the SCN that Noticees 6 and 7 had played pivotal role in getting the recommendations posted on Telegram through Noticee 8, they submitted that there had been no role of theirs with respect to SMS and the same is even mentioned in the SCN.*

*17.3 As regards para 14 of the SCN, Noticee 1 submitted that his alleged synchronized trades with Noticees 3 and 4 had resulted into negative LTP of Rs. 0.15 and Rs. 0.35 respectively. Thus, having no misleading effect on the market and the alleged synchronized trades with Noticee 5 had resulted into Rs. 0.35%, which was 0.28% of*

*the market volume. Therefore, such miniscule percentage cannot be concluded to be an outcome of fraudulent activity.*

- 17.4 W.r.t para 14 of the SCN, Noticee 3 submitted that the alleged synchronized trades had resulted into 0.45%, 0.00% and 0.03% of the market volume. Such miniscule percentage cannot be concluded to be an outcome of fraudulent activity. Thus, there is no pattern which had misleading effect on the market.*
- 17.5 As regards para 14 of the SCN, Noticee 4 submitted that his alleged synchronized trades with M/s Vivid Mercantile Limited and Noticee 1 had resulted into positive LTP of Rs. 1.15 and negative LTP of Rs. 0.40 respectively. Further, he submitted that the said trades had resulted into 0.15% and 0.19% of the market volume. Such miniscule percentage could not be concluded to be an outcome of fraudulent activity. Thus, there was no pattern which had misleading effect on the market.*
- 17.6 That the trading system does not make available the particulars – such as quantity of shares, prices and time of counter party's keyed-in orders against which his orders got synchronized with the counterparty and in the absence of these particulars, he could not know or ascertain any pattern at the relevant time.*
- 17.7 That the alleged synchronized trades of the Noticees 1 and 4 had resulted into only 0.63% and 0.34% of the market volume respectively, which in itself was insignificant and cannot be considered to have affected the price and volume of the scrip.*
- 17.8 As regards para 15.6 of the SCN, Noticee 1 submitted that he had neither contributed to market NHP with the so-called group nor had he contributed to NHP in buy order first trades with non-group entities. Further, out of the total 3,68,662 shares traded by him during the IP, only 1234 shares traded resulted into market NHP of Rs. 14.50. That the SCN does not contain the alleged trades that resulted in the NHP trades and thus the Noticee 1 was unable to analyse those trades and comment on them.*
- 17.9 Similarly, as regards para 15.6 of the SCN, Noticee 1 submitted that he had only 1 trade out of his total trades of 1446 trades provided at para 11 of the SCN, which had contributed to market NHP with the so-called group and that it is a mere co-incidence and thus a rare single incident cannot attract the allegation of contribution to market NHP.*
- 17.10 As regards para 15.6.1, Noticee 1 submitted that his trades had allegedly resulted into first trades only 2 times among the group and out of the total 3,68,662 shares traded by*

him during the IP, only 295 shares traded resulted into positive LTP through first trades.

17.11 As regards para 15.6.1, Noticee 3 submitted that none of his trades had resulted into first trades among the group and thus the same did not create any positive LTP among the group. Further, out of the total 4,88,714 shares bought by Noticee 3 during IP, only 386 shares traded had resulted into positive LTP through first trades.

17.12 Similarly, as regards para 15.6.1, Noticees 4 submitted that his trades had allegedly resulted into first trades only 1 time among the group and out of the total 1,71,291 shares bought by him during the IP, only 185 shares traded resulted into positive LTP through first trades.

17.13 That upon analysing the trade logs, it could be seen that for all the alleged first trades, the orders of the counter party had been keyed-in before the orders placed by them. Thus, they had only tried to buy the shares at the relevant price already seen on the system and they cannot be charged with allegedly establishing high price through first trades.

17.14 W.r.t profits of Rs 82,68,418, Rs 55,27,913 and Rs 1,29,09,550/- in respect of Noticees 1, 3, and 4, alleged in the SCN, they submitted that the same was duly accounted for in the Annual Returns filed by them and they had paid the requisite capital gains taxes and therefore, no adverse inference can be drawn against them.

17.15 That there is no allegation of funds transfers on him with other Noticees and that he did not have any funds transfer with any of the Noticees mentioned in the SCN except his family members.

17.16 They lastly submitted that no disproportionate gain or unfair advantage had been received and no loss had been caused to an investor or group of investors.

#### **Reply of Noticee 1**

17.17 That the trading in the scrip of DOL was a part of his trading activities in the stock market.

17.18 That there is nothing on record to prove that he had manipulated the price and volume of the scrip and his connection with other Noticees has been not been found. Further, there has been no role of the him with respect to SMS circulated.

17.19 That the purported transactions were for bonafide reasons and not towards price or volume creation.

- 17.20 That he knew Noticee 6 through Noticee 2 and that apart from one transaction of Rs. 19,000/- reflected in the bank statement produced by SEBI at Annexure 4 to the SCN, there were no other bank transfers with Noticee 6.
- 17.21 That he does not recollect the reason of Rs. 19,000/- received from Noticee 6 since is a 3-year-old transaction and that, upon checking the bank statements, he had gathered that there were no fund transfers between him and Noticee 6 apart from the above 1 transaction.
- 17.22 That he had also stated in his statement on oath that he was not aware of the amount transferred from account of his father, Noticee 3 to Noticee 6 and submitted SEBI to produce the documents based on which it has set out connection with the Noticee 6.
- 17.23 That he had bought 3,68,662 shares (4.00%) and sold 4,50,166 shares (4.89%) shares in the market during the IP and that he had bought and sold the shares of DOL, as he felt the scrip to be a lucrative one at that time.
- 17.24 That the alleged synchronized trades had resulted into only 0.63% of the market volume which in itself is insignificant and cannot be considered to have affected the price and volume of the scrip.
- 17.25 That out of the total 4919 trades executed by him, 2797 trades with traded quantity of 175213 shares had resulted into 0 LTP, 1327 trades with traded quantity of 102911 shares resulted into Negative LTP and 795 trades with traded quantity of 92538 shares resulted into positive LTP and upon analyzing the trade logs, it was evident that his trades as a buyer had been executed with 536 different entities and as a seller with 634 different entities and not only with the purported group entities.
- 17.26 That he had traded in the scrip of DOL at different levels as per his risk appetite and analysis and thus, no adverse inference can be drawn from the trades carried out by him.
- 17.27 As regards statement of Noticee 6 that he had met Noticee 1 at Sea Green Hotel in Marine lines, who wanted to operate on some scrips and increase their price and DOL was one of them, he submitted that the statement of Noticee 6 is far from truth.
- 17.28 Further, he denied having made any promise to Noticee 6 with respect to the statement of Noticee 6 that Noticees 1 and 2 had promised him a monetary benefit of about Rs 6 lakhs for participation in the scrip of DOL.

17.29 That no adverse inference should be drawn against him with respect to the statements made by Noticee 6 in the event, if cross-examination not granted.

17.30 He denied having made any attempt to artificially inflate the volume in the scrip or having executed any synchronized trades above LTP, positive LTP trades, NHP trades or first trades and also denied having followed any trading practices, influencing volume or price in the scrip.

17.31 That he had not indulged in deceitful trading pattern or being involved in any pre-determined scheme or synchronized / structured trades to deal in the scrip of DOL.

17.32 He also denied having funded Noticee 6 directly / indirectly as alleged.

### **Reply of Noticee 3**

17.33 That Noticee 3 and 4 are his sons and they reside together. With respect to the fund transfers with Noticee 5, Noticee 3 submitted that he has family relations with the Kapadia family and had been advancing loans and taking loans from them on an ongoing basis.

17.34 That out of the total of 4502 trades executed by him, 2207 trades with traded quantity of 223519 shares resulted into 0 LTP, 1744 trades with traded quantity of 102784 shares resulted into Negative LTP and 551 trades with traded quantity of 72181 shares resulted into positive LTP and upon analyzing the trade logs, it is evident that his trades as a buyer had been executed with 1547 different entities and as a seller with 3286 different entities and not only with the purported group entities.

17.35 That he knew Noticee 9 since a long time and he used to stay in Tytan Apartments and they were neighbours. He submitted that he used to visit there frequently even after he moved out of the building and had maintained good relations with Noticee 9 and had requested for some short-term loans for his diamond business from Noticee 9 in and around July 2021. , and accordingly, Noticee 9 had advanced Rs. 46 lacs to him for his diamond business. He further added that the he had repaid majority of loan taken from Noticee 9 as also observed by SEBI in its SCN.

### **Reply of Noticee 4**

17.36 That the trading account in the cash segment was handled by Noticee 1 and that there was no fund transfers with any other Noticees.

17.37 As regards table at point 11, he submitted that he had bought 1,71,291 shares (1.86%) and sold 2,46,847 shares (2.86%) shares in the market during the IP.

17.38As he and Noticee 1 are traders in stock market, he had bought and sold the shares of DOL scrip as he felt it to be a lucrative scrip at that time.

17.39As regards para 12 of the SCN that Noticees 6 and 7 had played pivotal role in getting the recommendations posted on Telegram through Noticee 8, he submitted that there had been no role of him with respect to SMS even mentioned in the SCN.

17.40As regards table at para 15 of the SCN, Noticee 4 submitted that from the total of 4919 trades executed by him, 2797 trades with traded quantity of 175213 shares resulted into 0 LTP, 1327 trades with traded quantity of 102911 shares resulted into Negative LTP and 795 trades with traded quantity of 92538 shares resulted into positive LTP.

17.41He submitted that upon analyzing the trade logs, his trades as a buyer had been executed with 536 different entities and as a seller with 634 different entities and not with the purported group entities alone.

17.42He denied having aided or abetted Noticees 1 and 2 by lending his accounts to his family members.

#### **Reply of Noticee 9**

17.43That he had not traded in the scrip and SEBI itself has alleged that the main perpetrator of the alleged fraud were Noticees 1 and 2.

17.44That he knew Noticee 3 and his family since a long time as Noticee 3 and his family used to stay in Tytan apartments and Noticee 9 was their neighbour and around 2019-20 they used to visit the building frequently even after he moved out of the building.

17.45That on several occasions, Noticee 3 had requested him for short term loans for their diamond business and Noticee 3 being a reputed man had returned his money on many occasions.

17.46Later on, Noticee 3 had shifted to Tirupati Apartment in 2021-2022 and that he had met Noticee 1 in the elevator of Tytan Apartments.

17.47That around July 2021, Noticee 3 had requested a loan from him for business activities. As Noticee 3, had in past returned the loan amount taken from him, he had extended another loan to Noticee 3 as per his request.

17.48That for the first time, Noticee 3 was not repaying the loan and therefore, he started requesting to repay the loan while meeting him socially. As both of them were long time friends, he found it embarrassing to talk directly to Noticee 3 for paying back the money.

- Thus, he had decided to talk to Noticee 1 for repayment of loan. He further submitted that upon asking for repayment, he demanded more money for his diamond business.*
- 17.49 That the loan given by him had nothing to do with the alleged fraud in the scrip of DOL.*
- 17.50 That SEBI's charge is on a presumption that he had funded Doshi family, only because he was MD of FOCL and had handled the IPO of DOL. In this regard, he submitted that IPO of DOL was in May 2016, whereas the IP is from 01/09/2021 to 30/06/2022. Thus, there was no connection between the two and thus should not be related to the company, in any manner.*
- 17.51 That the so-called "funding transactions" are not transactions relating to securities, nor do they amount to "dealing in securities".*
- 17.52 That he had not employed any device, scheme or artifice to defraud in connection with dealing in or issue of securities, which are listed or proposed to be listed.*
- 17.53 That there was no fraudulent intention or consent or connivance on his part to participate in the alleged fraudulent activities of other Noticees.*
- 17.54 That in order to impose monetary penalty under SEBI Act, SEBI was required to establish with evidence regarding "intent", "connivance", or "collusion" by Noticee 9 with other Noticees and in the present case, there is no shred of evidence of any connivance or collusion nor there is any finding of actual collusion or connivance by Noticee 9 in respect of the trades of other Noticees.*
- 17.55 That he had given a legitimate loan to Noticee 3, however, he had no knowledge of the manipulative/fraudulent trades of Noticee 3 and others.*
- 17.56 That circumstance of having funding transaction with Noticee 3 or that he was MD of merchant banker and one of the employees of FOCL was Independent Director of DOL, cannot lead to only one conclusion that he was part of some scheme of fraud.*
- 17.57 That allegation of fraud cannot be based on wild allegations without any convincing evidence.*
- 17.58 That he had not made any financial or commercial gains.*
- 17.59 That the alleged violation had not resulted in any harm or caused loss to the securities market.*

***Common reply of Noticees 7 and 8***

- 17.60 That the allegations made in para 4 are denied in totality for being false, frivolous, capricious and based solely on assumptions and surmises as the SCN does not speak a*



*word as to on which alleged channels those alleged recommendations were posted, who was Admin/operator of such alleged channels, who had posted the said recommendations, whether the alleged channels were public channels or private, and that was the subscriber base, if any, how many persons viewed such alleged tips and there is even no screenshot of the alleged channel where the alleged recommendations were posted and whether there were any followers/members on such channels or not, no such information is available in the entire SCN and thus the averments made in para 4 based on assumptions, presumptions and surmises are bad in law and unsubstantiated.*

*17.61 That, para 5 clearly states that Noticee 7 and 8 had no role to be played in increasing the price of the shares during patch 1 of the IP, thus it is clear that they played no role in alleged manipulation of price and volume in scrip of DOL.*

*17.62 Noticee 7 denied the observations in para 6 for being arbitrary, capricious, false and frivolous and submitted that there is no detail as to which Telegram channel was used. Further, the conclusions drawn are also unreasonable as the SCN itself alleged that the volume in the said scrip were high from 03/01/2022 onwards and there was no allegation that there was sudden rise of volume on alleged recommendation day i.e. 24/02/2022 and 04/03/2022. Further, SCN in para 6 specifically admitted that the volumes were high during the entire quarter and in such circumstances what was the role played by Noticee 7, if any, in the alleged manipulation is not clear from the allegations made and it seems that the entire proceedings have been conducted only on the basis of a confession of Noticee 8 in another matter by SEBI. In this regard, he submitted that it is a settled principal of law that statements recorded in one case cannot be relied upon in another case.*

*17.63 That, the averments in para 7 alleging that the Noticee 7 and 8 were aiding main perpetrators Noticee 6 and 8 are totally false and frivolous, as the investigation team has casually alleged that Noticee 7 was involved with Noticees 8 and 6 in the scheme, whereas both Noticees 8 and 6 in their statements have not mentioned anything about dealing in scrip of DOL.*

*17.64 That the Investigating officer (IO) had forcefully recorded statements with regards to Retro green , although, Noticee 7 had clearly denied having any nexus in the matter of Retro green, the IO forced and coerced him into signing the statement with his own*

*comments in respect of Retro Green stating that it will not have any impact on Noticee 7's case and his job of interrogation would be easy*

*17.65 That High trading volumes continued post-alleged recommendations, indicating other factors influenced the market.*

*17.66 That Noticee 7 had not posted any message on any TG channel and neither is such an allegation made in the SCN, further the only allegation is of sharing some messages with Noticee 8, however those alleged messages were firstly, post market and could not have any impact on market and Secondly, there were never shared by Noticee 7 alleged Noticee 8, the screenshots also were not from the said apps since mere looking at the Annexure 8, any person could infer that it was not a screenshot of any app rather a created document. Further, those alleged messages had been allegedly seized from the device of Noticee 8 but not from Noticee 7,*

*17.67 That there was no signature of Noticee 8 on the Annexure 8, that the said message had been provided/extracted from his mobile. Further, there was also no signature or stamp or annexation of any mark by the investigating officer to prove that he had received/extracted the said messages from Noticee 8 or his mobile,*

*17.68 That there is no certificate under Section 65B of BSA provided to prove the veracity of such messages and thus the said messages clearly appear to be forged and had not been sent or received by Noticees 7 and 8.*

*17.69 That, the averments in para 12.3 are denied for as there was no recommendation in that message to either buy or sell any scrip and it only mentioned the price of the scrip*

*17.70 That the said message had also been sent/received at 04:16 PM that is after market and thus the conclusions drawn based on those two messages is so vague and unreasonable that it would be barred by the wednusbury principal of reasonableness such that no ordinary man of prudence can reach to the conclusions as drawn by SEBI.*

*17.71 That allegation in para 12.4 are denied as SEBI did not record any statements of Noticee 8 in the present case, further, the alleged messages shared by Noticee 7 were dated 04/03/2022, which was the last alleged recommendation day, however even in that message there was no recommendation, it was merely price of the scrip, which was quoted and Noticee 7 could not be held responsible for alleged posting on 24/02/2022 and thus the entire charges are bad in law, false and frivolous.*

17.72 Noticee 8 submitted that the statements provided to him as Annexures to SCN, vide email did not contain signatures of any IO, who had taken those statements and/or administered oath, which clearly suggested that the Noticee 8 was forced to sign a blank paper and the IO had made entries at his own whims and fancies otherwise a copy of statement without signature of IO could not have been possibly available. This also proves that the said alleged statements have not been made before any competent authority competent to administer an oath and thus the statements cannot be relied upon in any case.

17.73 That SEBI has not provided any details of calls exchanged between Noticee 6 and 8 in the alleged CDR and upon an examination by Noticee 8 of the alleged CDR provided in Annexure 10, it was observed that there were no calls exchanged between Noticee 6 and 8 and thus the connection of Noticee 6 and 8 as alleged stands vindicated by the investigation team itself.

17.74 W.r.t observations in para 12.6 and 12.7, Noticee 7 submitted that there was no communication as brought in table in para 12.6 on the alleged date of recommendation and it could not be possible that if a person was talking with another for some scheme and they did not share any calls before, after or on the day of alleged scheme.

17.75 Noticee 7 submitted that the calls cannot be interpreted as an effort to coordinate between Noticee 6 and 8 for posting recommendation on telegram channel, and further Noticee 6 and 8 both had categorically denied any involvement of Noticee 7 in the said scheme.

17.76 That in common parlance of any business minded individual, if there was a meeting between Noticee 6, Mehul and Noticee 8 in Mumbai for the purposes of DOL then there was no point of them adding another middleman i.e. Noticee 7 and sharing profits, if any, to be made in alleged deal, thus SEBI had completely failed to either establish a link between parties or to bring out any motive, intention or knowledge of the alleged scheme to the Noticee 7 and thus he stands vindicated from the allegations.

17.77 That the alleged forged screenshots exchanged between Noticees 7 and 8 and one Trusted Online Book, were not the actual/copies of screenshots of any alleged channel or account of TG and thus, there is not even a shred of evidence that such alleged messages had been posted on any telegram channel what so ever.

17.78 Noticee 7 submitted that the investigation did not make any finding as to the alleged amount which might or might not have been paid to Noticee 7 and thus the entire investigation is a hoax and cannot be relied upon.

17.79 Noticee 7 further added that the alleged screenshots did not belong to him as they were allegedly taken from Noticee 8 and there is neither any signature of Noticee 8 that they were seized from his mobile nor seal sign of any officer who had allegedly seized them from him and thus the assumptions drawn are bad in law and unsustainable.

17.80 That the alleged message of Noticee 7 is dated 04/03/2022 timed 04:16pm and thus he cannot be alleged to be involved in scheme from 24/02/2022 on the basis of that message.

17.81 Noticee 8 submitted that the statement “it is possible that commission may have been exchanged hands through cash” is based on conjunctions and surmises and such an interpretation could have been made if all other attending circumstances were proven in investigation, as to what was the exact amount of commission, who had paid that commission and through which mode the said commission was paid and thus, mere apprehensions and assumptions cannot be relied upon to hold a person guilty of violation of serious charges of PFUTP and impose penalty upon him.

17.82 As regards observation in para 12.13, Noticee 8 submitted that they were in close vicinity when they were using their mobile phones, secondly there were no call exchanges between Noticees 8 and 6 even on 23rd as per the details in Annexure 15, and when they had not even talked on phone, it cannot be interpreted that they had met at a place in Mumbai, even in the forced and coerced statement, it is mentioned that he had met Mehul and not Noticee 6 and thus the evidence relied upon is insufficient to conclude anything.

17.83 W.r.t allegation in para 12.12 that because Noticee 7 was in touch with Noticee 8 in month of December 2021 to March 2022 and he was in touch with Noticee 6, he had forwarded messages to Noticee 8, to be posted on Telegram, Noticee 7 submitted that all these allegations are vague, omnibus, false and frivolous as firstly, even if the allegations are taken on face value there is nothing to suggest that these messages were infact shared on any TG channel. Secondly, there is no evidence to suggest that what was the communication between Noticee 7 and 8 and in said conversations, Noticee 7

*submitted that it was the time of 3rd wave of Covid 19 and he wanted to buy some masks and sanitisers from Noticee 8 as he operated a medical business in Neemuch*

*17.84 There were no calls exchanged as per table in para 12.6 on or before after the alleged day of recommendation between Noticee 7 and 6 and thus the conclusions drawn in the said paragraph are totally false and unsubstantiated.*

*17.85 That continued trend of high volume, post the period of alleged telegram posting is evidence of the fact that there were other factors responsible for rise in price and volume and thus, the role of any alleged TG Channel is vindicated by this fact alone and thus it is proved with preponderance of probability that there were no messages posted on any TG and it had no role to play in alleged rise in volume in trading.*

*17.86 That Noticee 7 had not traded in the scrip of DOL, had no connections with any of the other Noticees in the case and had no knowledge of the scheme. He further submitted that no amount has been alleged to have been received by Noticee 7.*

*17.87 W.r.t para 34.7, Noticee 7 submitted that allegations of aiding and abetting main perpetrators are levelled but no violations of any of the provisions of PFUTP are mentioned and thus, it can be safely concluded that even SEBI has concluded that there is no violation attracted towards Noticee 7.*

*17.88 That the alleged screenshots are not even from any alleged channels they are just alleged chats between Noticee 7 and 8, which were post-market (after 3:30 PM), so they couldn't influence stock prices or volume.*

*17.89 No screenshots or proof of messages posted on Telegram by Noticee 8.*

*17.90 Relied on legal precedents to argue that charges of fraud/manipulation cannot stand on assumption and fraud charges require cogent evidence, not assumptions.*

*17.91 That there is no proven link to Noticee 6, Mehul Shah, or Noticee 7.*

*17.92 CDR analysis showed that there were no calls between Noticee 8 and Noticee 6, contradicting SEBI's claims and there is no proof of payments or commissions exchanged.*

*17.93 Statements of Noticee 7 are coerced, thus there is no proof of collusion.*

**Reply of Noticees 6, 10 and 11**

*17.94 Noticee 6 submitted that he works in the accounts department at Wealthstreet and is a bona fide investor in securities market and invests regularly in various segments of the stock exchange viz. cash segment, F&O segment — Equity/commodities, investing in*

*preferential issues whenever opportunity arises, looks for opportunities in companies, which are likely to be restructured and various other segments of the Capital Markets.*

*17.95 That the trading accounts of Noticees 10 and 11 are also managed by him.*

*17.96 That Noticee 6 does not have a telegram account and there is nothing on record to substantiate that he had aided in posting of Telegram Recommendations and the said allegation is baseless and without any conclusive/concrete proof.*

*17.97 As regards para 5 of the SCN, Noticees 6, 10 and 11 submitted that a general allegation has been levelled that LTP was increased and NHP was created, They admitted that they had not contributed to LTP in any manner whatsoever, though the other Noticees were alleged to have contributed to LTP and therefore, their trades were independent and genuine and had nothing to do with the trades of other alleged noticees.*

*17.98 Noticee 6 submitted that even if he had any role in the alleged circulation of messages, the price and volume fell after March 4, 2022 which establishes the fact that the said message did not have any impact on the price and volume. He denied having played any role in the alleged circulation of messages.*

*17.99 As regards observation in para 13 of the SCN, that the continuing trend post the dates when the messages were posted on telegram indicated that there were other factors as well which had contributed to the price volume rise of the scrip of DOL, they submitted that with the said observation, it gets established and proved that they did not have any role in the alleged price manipulation and creation of artificial volume, therefore the SCN may be disposed off accordingly and no penalty be levied.*

*17.100 As regards allegation of acting as a link for posting recommendations, Noticee 6 submitted that the entire SCN made vague and bald statements with respect to his involvement in the posting of telegram messages along with Noticee 8 and SCN has also failed to introduce even an iota of evidence to support the above statement.*

*17.101 With respect to allegation of being suspected entities, they submitted that the classification as "suspected entities" is premature and unwarranted and mere existence of call communications between Noticee 6, 1 and 8, without any connection with the trades carried out by them in the scrip of DOL has no ground to consider them as suspected entities.*

- 17.102 That there were no calls in proximity to the date when the alleged circulation of telegram messages had happened and the SCN places reliance on unsubstantiated allegations and conjecture, which is legally untenable.
- 17.103 That the trades carried out by them were 0.72% of the total market volume, were miniscule and insignificant and do not warrant any serious allegations of price manipulation and creation of artificial volume.
- 17.104 As regards para 12.4 of the SCN that Noticee 6 had met Noticee 8 for posting recommendations in DOL, Noticee 6 submitted that Noticee 8 in his statement had said that he had met Mehul Shah and he had nowhere confirmed that he had met Noticee 6.
- 17.105 Noticee 6 further submitted that there is not even a shred of evidence to show his connection with Noticee 8, even the CDR does not show any calls between him and Noticee 8 and the basis of linking him to Noticee 8 on the basis of one meeting without any other communication through email or phone is highly vague and imaginary. Therefore, there is no basis or substantiation of the alleged linkage and denied having met Noticee 8 for posting recommendations in DOL.
- 17.106 With respect to para 12.5 of the SCN, that number of Noticee 6 was found in the CDR of Noticee 8, he submitted that as per SEBI's contention his number in Para 12.6 is 9974164689, but the CDR provided in Annexure 10 did not have this number. Thus, the allegation has been made on factually incorrect data, as on bare perusal of the CDR, it is clearly seen that it did not contain his number. He further submitted that his number had not been culled out by the Investigating Authorities and the authorities seem to be making such serious allegations of fraud based on factually incorrect data. He denied having spoken to Noticee 8 or having link/association with him in any manner, whatsoever.
- 17.107 As regards para 12.6 and 12.7 regarding the calls between Noticee 6 and 7, Noticee 6 submitted that there was no connection of his calls with the alleged circulation of messages as Telegram messages were circulated on February 24, 2022 and March 04, 2022, and he had spoken to Noticee 7 on February 19, 2022 and then on March 8, 2022, and therefore, there is no close proximity of the calls to the alleged circulation of Telegram Messages. He added that there is no connection of calls, between him and Noticee 7, and the alleged telegram messages.

- 17.108 As regards Para 12.7, w.r.t the allegation of meeting Mehul Shah, Noticee 6 submitted that he had met someone along with Mehul and he had told him that the person that he had met was Prashant but later on he came to know that he was Noticee 8. He had met Noticee 8 along with Mehul for his personal work and at that time, he had no knowledge that he was Noticee 8.
- 17.109 With respect to the observations at para 12.11 & 12.12, Noticee 6 regarding allegation of his calls with Noticee 7, Noticee 6 submitted that Noticee 7 might have worked with Noticee 8 for manipulating certain scrips but Noticee 7 had not made any allegations against him in the SCN.
- 17.110 Further, Noticee 6 submitted that there was no call between him and Noticee 8 and there is no connection between his calls with Noticee 7 and the telegram messages.
- 17.111 They submitted that SEBI at one point alleges that Noticee 7 admitted working with Noticee 8 for other scrips in his statement, on other hand relied on calls between Noticee 6 and Noticee 7 for making the alleged manipulation. They further added that SEBI is just shooting in the dark and has no clarity as to what act led to the alleged manipulation, which shows that the SCN is vague and self-contradictory.
- 17.112 With respect to the allegation of calls between Noticee 6 and Noticee 8, they submitted that the CDR (Call Data Records) provided by SEBI in excel Sheet lacked authentication. The document was not authenticated and lacked essential particulars, including headings, names and specifications making it unreliable. They further submitted that some random numbers with no names specified had been given along with time durations.
- 17.113 They also submitted that placing reliance on unauthenticated CDR contravenes the Indian Evidence Act, 1872, specifically Section 65B and further added that SEBI Act and PFUTP violations necessitate robust evidence, which is absent in this case.
- 17.114 They submitted that the alleged telegram messages were forwarded by Noticee 8 to a telegram account named Trusted Book Online and SEBI had itself observed in para 12.9 that the owner of the said account could not be traced, which shows that SEBI/Investigating Authorities had not been able to complete the investigation and find the real culprits behind the alleged scheme.
- 17.115 That SEBI should reconsider its reliance on unauthenticated CDR and provide legitimate evidence to ensure a just and fair proceeding.



- 17.116 Noticee 6 submitted that there is no evidence to show that he got the recommendations posted through Noticee 8 and there had been no communication between him and Noticee 8, neither by calls or any other way whatsoever.
- 17.117 That their trades were in the ordinary course of business, and were executed independently, were miniscule and insignificant compared to the total volume and further added that their trades have been erroneously grouped with other Noticees.
- 17.118 That even if Noticee 6 had any role in the alleged circulation of messages, the price' and volume had fallen after March 4, 2022, which establishes that the said message did not have any impact on the price and volume. On the contrary the price and volume started falling after March 4, 2022, which establishes that the said message did not have any impact on the price and volume.
- 17.119 That the allegation that the volume kept on rising for 20 days due to the telegram message is out of context and without any evidence.
- 17.120 That they were not involved in synchronization of trades with Noticee 5 or any other front entity of Noticee 2, and their trading had matched with only on one day out of total period of 29 days.
- 17.121 That in para no. 15.4 of the SCN, the details of 240 positive LTP trades had been provided, whereas in para 15.5.3, it had been alleged that Noticees 6, 10 and 11 acted as sellers and lowered the LTP without providing any instances, wherein LTP was lowered. This establishes that the SCN is self- contradictory and vague and made bald statements without any evidence to substantiate the same and owing to the above the allegation that they had contributed 2.01% to the total volume and 21.45 to net LTP through synchronized trades is denied.
- 17.122 They submitted that their dealing in the stock market had taken place through their stock broker, wherein the trades had taken place at the electronic order matching system of the stock exchange wherein the counter party was not known and it is a faceless trading platform provided by the stock exchange and approved by SEBI itself. Thus, the trades were matched coincidentally and not by design.
- 17.123 They denied having established NHP through first trades of 100 shares or less as 3 trades and submitted that the same are very miniscule to aid in price rise/variation.
- 17.124 W.r.t observations in para 17.13 regarding receiving payments from Kapadia Corporation by Noticee 6, they submitted that the transactions on 1/09/2022, 1/09/2022

*and 21/01/2023 , as per Annexure 22 of the SCN are debit transactions and Noticee 6 had not received any money as alleged. This shows that the SCN once again made allegations based on incorrect facts. They, further submitted that the IP is from January 01, 2022 to June 30, 2022 but the payments/ transfers between them and Kapadia Corporation as alleged by SEBI in Para 17.13 were in September 2022 and January 2023.*

*17.125 As regards the observations in para 17.14 to 17.16 regarding the allegation of receiving money from Noticee 1 and 3, Noticee 6 submitted that no details of the said transactions had been provided, showing that the SCN is vague. Further upon perusal of both of his bank statements provided as an Annexure to the SCN, it was found that there was no credit of Rs 19,000 on February 10, 2022 and as regards the transactions on February 12, 2021 there is no annexure in respect of the same.*

*17.126 That w.r.t the calls between Noticee 6, 1 and 4, Noticee 6 submitted that there was no connection with trades carried out by him and the the said calls.*

*17.127 W.r.t observation in SCN regarding meeting Malav Shah, Noticee 6 submitted that meeting someone on a daily basis is not a crime and the same does not establish anything.*

*17.128 As regards allegation at para 32.2, that Noticee 6 had contacted Noticee 7 for getting recommendations posted, Noticee 6 submitted that he does not have an account on telegram and he had not aided in posting recommendations on telegram.*

*17.129 As regards allegation of appearance of giving loans as an afterthought in para 32.3 Noticee 6 submitted that he had approached Noticee 2 for some funds as his brother in law was suffering from Brainstroke.*

*17.130 With respect to the allegation at para 32.4 regarding transfer of Rs 2 lakhs from Noticee 1, Noticee 6 submitted that the same pertained to February 12, 2021 and SEBI is using the transactions prior to the IP to make allegations and the investigation period begins from September 2021,.*

*17.131 As regards the allegations in para 33.2, that they along with the group contributed to 4.97% of the LTP, Noticees 6, 10 and 11 submitted that execution of the transaction without any intention to manipulate and in the absence of any knowledge about the counter party broker / counter party client, cannot be deemed to be a manipulative transaction.*

- 17.132 As regards allegation at para 32.5, that Kapadia Corporation had transferred Rs 4 lakhs to account the account of Noticee 6, they submitted that the allegation has been made without any data.
- 17.133 As regards observation at para 32.6, that Noticee 6 was promised a sum of money for his role in the scheme formulated by Noticees 1 and 2, they submitted that Noticee 6 had not earned/received any money.
- 17.134 As regards observation at para 33.3.1, they submitted they had only executed 3 trades out of the total 127 trades, which is highly insignificant and miniscule and cannot be called as fraudulent by any stretch of imagination.
- 17.135 As regards in para 33.32 of the SCN that they had bought shares along with the Noticees 1, 3 and 4 were buying shares since January 2021, they submitted that they had bought shares in DOL, only in July 2021 which were sold in the period between September 2021 and December 2021.
- 17.136 As regards the observation that the volume of shares underwent a major change, they submitted that on the contrary the price and volume fell after March 04, 2022, which establishes that the messages did not have any impact on the scrip. Therefore, no violation of any regulation can be attributed upon them.
- 17.137 W.r.t observation at para 34.4 of SCN, Noticee 6 denied having received any money from Noticees 1 and 2.
- 17.138 That it is a well settled law that the taint of 'fraud' cannot be attached or charged on preponderance of probability. In fact, compelling evidence should be brought on record for a person/entity to be held liable for 'fraud' and relied upon SC order in the matter of Ram Sharan Yadav v/s Thakur Muneshwar Nath Singh [(1984) 4 SCC 649 (AIR 1985 SC 24)].
- 17.139 That there is absolutely nothing to connect Noticee 6 to Noticee 8 except one meeting and the meeting does not have relation to alleged circulation of messages and the trades carried out by them because the meeting did not happen. Further, there is no connection or direct or indirect link between them and Noticee 8 and the subsequent placement of orders.
- 17.140 That even the CDR does not have number of Noticee 6 and Noticee 6 and 8 did not meet and even statement of Noticee 8 does not confirm the same. Thus the SCN made allegations based on incorrect facts.

17.141 That is mentioned in the SCN that Noticee 1 and Noticee 2 were the main perpetrators of the alleged scheme, which proves proves that Noticee 6 did not have any role neither in alleged scheme nor in the alleged circulation of messages.

17.142 That they had not entered into any transaction with the intention of artificially raising or depressing the prices rather had simply transacted in the shares and the trades were executed at the prevalent market price and therefore, the same cannot be construed to have artificially raised or depressed the prices as alleged.

17.143 That they had not indulged in any act and not created create a false or misleading appearance of trading in the securities market and therefore, not violated/ contravened any of the provisions as alleged.

17.144 That upon careful perusal of the Regulation 4 of PFUTP Regulations, it is clear that element of deceit is an underlying factor in the transactions and a genuine transaction by itself cannot attract the regulation though such a transaction had resulted in market price variation.

17.145 That in Regulation 4, the intention of the party is relevant and if one is to be charged for the market manipulation stated in regulation 4, it becomes absolutely necessary to prove that the person had acted intentionally.

17.146 That there is no whisper in SCN about the fact, whether they had the knowledge, that the alleged entities were the counter party to their trades and had knowledge of the alleged scheme, and manipulation by Noticee 1 and others.

18. Pursuant to the transfer of case to the undersigned and in the interest of natural justice, opportunities of personal hearings were granted to the Noticees on various dates, vide hearing notices as under;

Names of the Noticee	Hearing Notice Date	Hearing Date	Attended
Aakash Doshi	16/01/2025, 20/02/2025	03/02/2025, 28/02/2025	Y
Kevin Kapadia	15/01/2025, 29/01/2025	29/01/2025, 05/02/2025	N
Dilip Doshi	15/01/2025	29/01/2025	Y
Richi Dilip Doshi	15/01/2025	29/01/2025	Y
Kruti Kevin Kapadia	15/01/2025, 29/01/2025	29/01/2025, 05/02/2025	N
Dhanpal Gandhi	29/01/2025	14/02/2025	Y
Amesh Jaiswal	15/01/2025, 29/01/2025, 10/03/2025, 18/03/2025	29/01/2025, 05/02/2025, 13/03/2025, 21/03/2025	Y
Jalaj Agarwal	29/01/2025, 25/02/2025, 10/03/202, 18/03/2025	03/02/2025, 10/03/2025, 13/03/2025, 21/03/2025	Y
Satyen Dalal	15/01/2025	29/01/2025	Y

Darshan Gandhi	29/01/2025	14/02/2025	Y
Jalpa Dhanpal Gandhi	29/01/2025	14/02/2025	Y

19. From the above table, it can be seen that the Noticees 2 and 5 did not attend the hearing. However, other Noticees were represented by their respective ARs in the hearing, who had reiterated the submissions already made by them on their behalf. Further, I note that during the course of hearing, AR of the Noticees 1, 3 and 4 requested to be provided with the trade details pertaining to the Noticees with respect to NHP in patch 1, duly specifying the contribution to market NHP and contribution among group by each of the Noticees and Synchronized trade details and also requested for cross-examination of Noticee 6. Therefore, vide email dated February 10, 2025, barring Synchronized trade details, which were not available on record, all the documents as mentioned above were provided to the AR of the Noticee 1, 3 and 4 and final hearing in respect of the said Noticees was concluded on February 28, 2025. The AR sought time to make additional submissions in the matter by March 05, 2025. The said request was acceded to and AR made additional submissions, vide letter dated March 11, 2025.

20. Before moving forward, it is pertinent to look at relevant provisions, which are alleged to have been violated by the Noticees. The same are reproduced hereunder:

***SEBI Act***

***12A. No person shall directly or indirectly—***

- a. use or employ, in connection with the issue, purchase or sale of any securities listed or proposed to be listed on a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of this Act or the rules or the regulations made thereunder;*
- b. employ any device, scheme or artifice to defraud in connection with issue or dealing in securities which are listed or proposed to be listed on a recognized 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 recognized stock exchange, in*

*contravention of the provisions of this Act or the rules or the regulations made thereunder.*

### **PFUTP Regulations**

#### **3. Prohibition of certain dealings in securities**

*No person shall directly or indirectly—*

- (a) Buy, sell or otherwise deal in securities in a fraudulent manner;*
- (b) Use or employ, in connection with issue, purchase or sale of any security listed or proposed to be listed in a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of the Act or the rules or the regulations made there under;*
- (c) Employ any device, scheme or artifice to defraud in connection with dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange;*
- (d) Engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with any dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange in contravention of the provisions of the Act or the rules and the regulations made there under.*

#### **4. Prohibition of manipulative, fraudulent and unfair trade practices**

- (1) Without prejudice to the provisions of regulation 3, no person shall indulge in a manipulative, fraudulent or an unfair trade practice in markets.*
- (2) Dealing in securities shall be deemed to be a [manipulative] fraudulent or an unfair trade practice if it involves any of the following:—*
  - (a) knowingly indulging in an act, which creates false or misleading appearance of trading in the securities market;*
  - (b) dealing in a security not intended to effect transfer of beneficial ownership but intended to Operate only as a device to inflate, depress or cause fluctuations in the price of such security for wrongful gain or avoidance of loss;*
  - (d) inducing any person for dealing in any securities for artificially inflating, depressing, maintaining or causing fluctuation in the price of securities through any means including by paying, offering or agreeing to pay or offer any money or money's worth, directly or indirectly, to any person*
  - (e) any act or omission amounting to manipulation of the price of a security including, influencing or manipulating the reference price or bench mark price of any securities.*

## CONSIDERATION OF ISSUES AND FINDINGS

21. I have gone through the submissions of the Noticees, facts, and material available on record. The issues that arise for consideration in the present case are:

**ISSUE No. I:** Whether Noticees have violated the provisions of SEBI Act and PFUTP Regulations, as alleged in the SCN?

**ISSUE No. II:** Do the violations, if any, attract monetary penalty u/s 15HA of the SEBI Act, upon the Noticees?

**ISSUE No. III:** If so, what should be the monetary penalty, after taking into consideration the factors stipulated in Section 15J of the SEBI Act r/w Rule 5(2) of the SEBI Adjudication Rules?

22. I note that the Noticees 2 and 5 neither filed any reply nor availed the opportunity of personal hearing despite service of notices upon them. In the facts and circumstances of this case, I am of the view that the Noticees 2 and 5 have nothing to submit and in terms of Rule 4(7) of the SEBI Adjudication Rules, the matter can be proceeded ex parte, on the basis of material available on record.

23. In this regard, it is pertinent to note that the Hon'ble Securities Appellate Tribunal (SAT) in the matter of **Classic Credit Ltd. vs. SEBI** (Appeal No. 68 of 2003 decided on December 08, 2006) has, inter alia, observed that, "*.....the appellants did not file any reply to the second show-cause notice. This being so, it has to be presumed that the charges alleged against them in the show cause notice were admitted by them*".

24. In view of the observations made by the Hon'ble SAT, in absence of any response from the Noticees 2 and 5 to the SCN, I presume that they have admitted the charges levelled against them and accordingly, I deem it appropriate to proceed against the Noticees 2 and 5 ex parte, based on the material available on record. While deciding the case, I also cannot lose sight of settled position of law that the charge should be established with valid reasons and in accordance with law.

25. Before I proceed to deal with the issues on merits, I would like to first address the preliminary issue raised by the Noticees 1, 3 and 4 that the instant SCN has been issued with a significant delay. In this regard, I note from the material available on record that SEBI had conducted investigation in the matter based on complaints

with respect to stock recommendations in certain scrips, that were circulated in Telegram channels. Since, the price and volume of the scrip underwent a huge spurt on the day of recommendation, a detailed investigation was carried out. Further, the allegations with respect to creation of misleading appearance, manipulations in price and volume is a serious allegation and cannot be examined in a haphazard manner, hence, the same requires thorough analysis of the trades along with the examination of messages/chats exchanged between them, recording of statement of the entities involved and ultimately narrowing down to the entities involved in the convoluted trades. Thus, the entire process becomes elongative. In the instant case, I note that the initiation of adjudication proceedings against the Noticees was approved by SEBI on March 07, 2024 and the SCN in the matter was issued to the Noticees on July 02, 2024. In response to which, Noticees 1,3,4,6,7 and 8 as mentioned above, requested for cross-examination, inspection of documents and sought adjournment of hearing and ultimately submitted reply on merits in the matter.

26. In this regard, I note that in the matter of **Pooja Vinay Jain vs SEBI** [Appeal No. 152 of 2019 dated March 17, 2020], Hon'ble SAT has inter alia made the following observations—

*“12. The decision would show that the power to initiate the proceedings must be exercised by the authorities within a reasonable time. This would depend upon the facts and circumstances of the case, nature of the default / statute and prejudice caused to the noticee.*

*13. In the present case, the appellant neither put a plea of prejudice before the AO nor before us. It was simply stated that since the proceedings were launched by respondent SEBI after a period seven years, the same should be quashed on the ground of delay. The record would show that all the documents concerning the defense of the appellant were filed by her before the AO. Therefore, for want of any prejudice the proceedings cannot be quashed simply on the ground of delay in launching the same. Further, as explained by the learned counsel for the respondent as recorded in paragraph No. 6.4 above, large numbers of entities and transactions were analyzed by SEBI which took some time. In the result, the following order:-*



*ORDER*

*14. The appeal is hereby dismissed without any order as to costs.”*

27. I note that Noticees 1, 3 and 4 have failed to explain how the delay had prejudiced their interest, hence their contention with respect to delay is not tenable. I now proceed to deal with the issues on merits as under;

**ISSUE No. I: Whether Noticees have violated provisions of SEBI Act and PFUTP Regulations, as alleged in the SCN?**

**28. Findings with respect to Telegram Channel.**

28.1 As regards circulation of Telegram messages on February 24, 2022 and March 04, 2022 and corresponding submission of Noticees 7 and 8 that the SCN does not speak a word as to on which alleged channels those recommendations were posted, who was Administrator/operator of such alleged channels, who had posted the said recommendations, whether the alleged channels were public channels or private, and what was the subscriber base, if any, how many persons had viewed such alleged tips and whether there were any followers/members on such channels or not, I note from screenshots of Telegram chats recovered from Noticee 8, during the search & seizure operation of SEBI, that a message dated February 24, 2022 at 03:31:57 AM from TBO to Noticee 8, read as “*Dal de You Tube Par*”. Noticee 8 in response to the said message at 03:32:10 AM replied “*Link dijiye aapke telegram ka*”. TBO again wrote to Noticee 8 at 03:32:27 AM “*Bhai Ji bolo*”. In response, Noticee 8 replied TBO at 03:32:27 AM, as “*ha*” and TBO in response to the same confirmed “*ok*”.

28.2 At 3:32:23 AM, TBO in response to Noticee 8's earlier message, which was sent at 03:28:09 AM, which read as “*DELIVERY BUY CALL JACKPOT....DARSHAN ORNA LTD...BSE CODE 539884 BUY HUGE QTY FOR BIG PROFIT...BUY AT 127-132 MARKET CAP 120CR...1<sup>ST</sup> TARGET 200....2<sup>ND</sup> TARGET 250 STOP LOSS 100 SURESHOT CALL MEANS SHURESHOT*”, replied as “*Isko update kar de pahle*”.

28.3 Further, I note that on the same day at 03:32:34 AM, TBO had replied to Noticee 8 as “*Dete hai*” and in response, Noticee 8 at 03:32:41 AM had confirmed TBO as “*ok bhai*”. At 03:40:35 AM, Noticee 8 again wrote to TBO asking for the

telegram link as “*Telegram ka link do*” and finally TBO at 03:40:46 AM, shared a link of a telegram channel with Noticee 8. The said link read as [https://t.me/sure\\_means\\_sure\\_intraday\\_share](https://t.me/sure_means_sure_intraday_share). TBO also shared another link with Noticee 8 at 03:41:01 AM, which read as [https://t.me/intraday\\_share\\_trading\\_stock](https://t.me/intraday_share_trading_stock) and another link at 03:41:13 AM, which read as [https://t.me/intraday\\_share\\_Equity\\_stock](https://t.me/intraday_share_Equity_stock). At around 03:41:20 AM, Noticee 8 had written to TBO as “*Are babu*” and again at 3:41:25 AM, wrote as “*Channel ke link nai*”. In response, TBO at 3:41:29 AM, shared a link, which read as “[https://t.me/share\\_intraday\\_Stock\\_BankNifty](https://t.me/share_intraday_Stock_BankNifty) . Again at 03:41:39 AM, TBO confirmed Noticee 8 as “*Channel link hi hai*”. Noticee 8 at 3:41:39 AM, wrote to TBO as “*Aapko vedio kaha beju wo wala link*”. At this, TBO at 03:41:46 AM, replied as “*O sorry*”. Noticee 8 wrote to TBO at 03:41:46 AM as “*Channel ka link nahi chahiye*”. TBO sent a name of the channel at 03:42:02 AM, which read as “*@owner\_bullet*”. Noticee 8 wrote to TBO at 03:42:06 AM and at 03:43:44 AM as “*ok*” and “*Bej diya he*” respectively. Again at around 04:19:53 AM, Noticee 8 shared the same message with TBO, which was shared by him at 03:28:09 AM, which read as “*DELIVERY BUY CALL JACKPOT....DARSHAN ORNA LTD...BSE CODE 539884 BUY HUGE QTY FOR BIG PROFIT...BUY AT 127-132 MARKET CAP 120CR...1<sup>ST</sup> TARGET 200....2<sup>ND</sup> TARGET 250 STOP LOSS 100 SURESHOT CALL MEANS SHURESHOT*”. He further wrote a message to TBO at around 04:20:29 AM, which read as “*Breaking News.....ANY TIME UPPER FREEZE IN DARSHAN ORNA BUY FAST.... And Tomorrow Again Upper Circuit.....Soo Buy Today.....Darshan Orna Ltd*”.

28.4 Similarly, with respect to the message circulated on March 04, 2022, I note from the telegram chats recovered from Noticee 8 that he had sent a message to TBO at 03:15:11 AM, which read as “*Breaking News..... SURESHOT KACKPOT CALL HE BUY FIRST..... ANY TIME UPPER FREEZE IN DASRSHAN ORNA BUY FAST..... AND AGAIN UPPER CIRCUIT TILL 10 DAY..... SOO BUY TODAY..... DARSHAN ORNA LTD*”. In response, TBO wished Good morning to Noticee 8 at 03:25:45 AM. At 03:31:46 AM, Noticee 8 directed TBO as “*Post Kar do*”. In response to the above, TBO at 03:33:45 AM, wrote to Noticee “*Dada dusri company ka kam dekh lo please isme bahut km share bik raha hai*”. Noticee 8 in

response to the above message of TBO at 03:34:15 AM, wrote as “*Ha yr apna naam bhi he na market me isliye iske just next tineagro ready he wo karnge*”. Further, Noticee 7 had sent a message to Noticee 8 on March 04, 2022 at 04:18:23 AM, which read as “*nifty 16890 to 16250.....DARSHAN ORNAMENTS...116 TO 145...MANY MORE TO COME*”. In response to the above, Noticee 8 had written a message to Noticee 7 at 04:18:47 AM, and the same read as “*Pura call dalo na Sir*”. Responding to the above, Noticee 7 wrote to Noticee 8 at 04:18:58 AM as “*Wait wahi kar raha hu*” and at 04:20:40 AM, Noticee 7 wrote to Noticee 8 as “*nifty 16890 to 16250.....DARSHAN ORNAMENTS...116 TO 145...MANY MORE TO COME.....BUY DARSHAN ORNAMENTS..... BSE CODE 539884.....145 TO 148..... IMMEDIATE TGT FOR 180 TO 210...*”. Further, this message was forwarded by Noticee 8 to TBO at 04:23:00 AM and at 04:23:13 AM, Noticee 8 had directed TBO as “*Ye wala msg post karo*”

28.5 From the above conversations, I note that on February 24, 2022, the conversation was completely between Noticee 8 and TBO and not with Noticee 7. Further, upon perusal of the messages, it is evident that the message, which was circulated on February 24, 2022, originated from Noticee 8. From the above chats, I also note that Noticee 8 had forwarded a message containing recommendation to buy DOL scrip, to TBO, which acted as per his directions. Further, from the above chats, I note that Noticee 8 had written that an upper circuit might be placed in DOL and therefore, recommended to buy the shares of DOL. Further, I note that Noticee 8 had also asked telegram link from TBO to post the messages exchanged between them and upon perusal of the said links, I note that the channels are in operation till date. However, they are now being run with different names and do not contain the messages with respect to DOL. Further, I note that TBO had shared a name of the channel with Noticee 8 as “*@owner\_bullet*” and Noticee 8 also sought a link to share the video with TBO. Therefore, apart from the message, there was also a video that was exchanged between them and Noticee 8 had confirmed of having shared the video on the channel by writing “*Bhej diya hai*”.

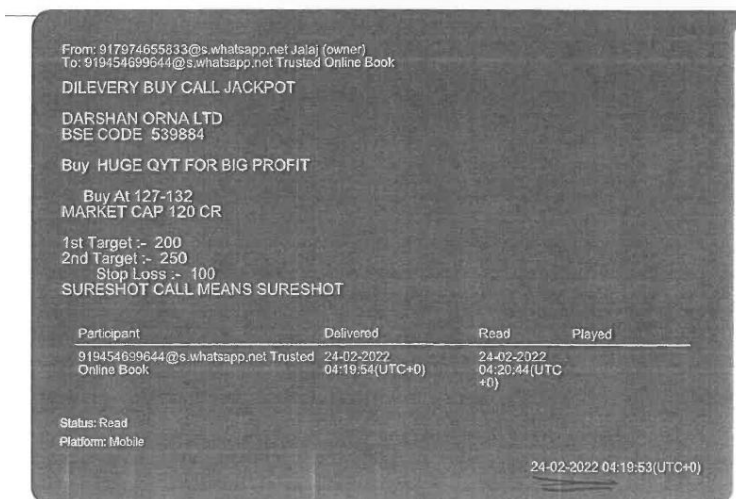
28.6 With respect to message circulated on March 04, 2022, I note that again, Noticee 8 had directed TBO to post the message at around 03:15 AM and the

conversation with Noticee 7 had started at 04:18AM. Thus, origin of the message on March 04, 2022, was from Noticee 8. Further, upon perusal of the above exchanged conversations between Noticee 7 and 8, it is clear that Noticee 7 was dominating the group as Noticee 8 is addressing him as “Sir” in the conversation on March 04, 2022. Further, I note that Noticee 8 had requested him to share the complete call at 4:18:47 AM and both Noticee 8 and TBO were taking instruction from Noticee 7. Thus, I note that Noticee 8 was acting as per the directions of Noticee 7 and TBO, in turn was acting as per the directions of Noticee 8 on March 04, 2022. Therefore, submission of the Noticees 7 and 8 that they were not involved in circulation of message is bereft of merits.

28.7 With respect to the submission of Noticees 7 and 8, that no details of the admin/operator of the Telegram channel, number of subscribers details, etc was provided, I note that the above messages were passed on to TBO and a channel named “@owner\_bullet”. I also note that the screenshots of the messages were provided as Annexure to the SCN. Further, I note that the messages circulated on the said dates by Noticees 7 and 8 weigh more than enough to prove the intent of the Noticees 7 and 8. The above mentioned content of the messages shows the designs of the Noticees 7 and 8, that it was being created to manipulate the scrip of DOL by circulating the messages, which gets supplemented by the fact that the number of public shareholders reached from 1732 to 7536 i.e., an increase by 335% during the period from January 2022 to March 2022, after circulation of message. Further, as regards submission of Noticee 7 that no message was shared by him and that the messages were seized by SEBI from the device of Noticee 8, I note that it has already been established above, that there was sharing of messages between them on March 04, 2022, thus, Noticee 7 was aware of the messages with respect to recommendation in DOL scrip. Further, if Noticee 7 was not the intended recipient, he should have raised that issue with Noticee 8 of not being the intended recipient rather, he was instructing Noticee 8, thus, indicating that he was also hand in glove and therefore, it shows that there was a proper

recommendation by them to the readers of the messages to trade in the scrip of Drashan Orna.

28.8 With respect to the submission of the AR of Noticees 7 and 8 that the messages were circulated aftermarket hours, I find pertinent to share two of the many screenshots of the messages, duly showing the time (the time mentioned in the screenshots and para 28 are UTC/GMT except where specifically mentioned otherwise) at which they were shared between them and TBO.



28.9 From the above two screenshots, I note that the messages were shared in the morning hours i.e. around 0900 to 1000 hrs IST. Further, I note that after circulation of the messages, price of the scrip of DOL moved from open of Rs 77 on January 03, 2022 to the highest closing of Rs146.7 on March 04, 2022. I also note that the volume of shares traded reached to 32,60,595, during the quarter from January 2022 till March 2022 as compared to traded volume of

8,96,967 of the previous quarter. Further, I note that the price reached to a closing price of Rs 126.10 to Rs 146.70 from February 24, 2022 to March 04, 2022, whereas the price of the scrip ranged from Rs 95.90 to Rs 125.75 from January 24, 2022 to February 23, 2022. The volume of the scrip hiked from 9,98,248 to 11,13,126. Further, I note that the scrip of DOL reached a closing price of Rs 139.40 to Rs 78.65 from March 07, 2022 till April 04, 2022 and volume got plummeted to 10,88,706 from 11,13,126. In view of the above, I note that the circulation of the message played a key role in taking the price to Rs 146 during the IP, which was merely Rs 77 in the month of January 2022, i.e. prior to the circulation. Thus, the submission of the Noticees 7 and 8, that the messages had no impact on market as they were shared after market hours, is devoid of merits.

28.10 With respect to the submission of the Noticee 7, that his statement was recorded by the SEBI in duress in the matter of Retrogreen, wherein he was forced to sign the statement, after IA himself had written on his behalf, I note that the instant matter is with respect to manipulation in the scrip of DOL and not Retrogreen. Further, I note from the statement of Noticee 7, dated October 10, 2023, in the instant matter, that the statement was recorded in the matter of DOL and not Retrogreen scrip. Further, Noticee 7 had duly attested by writing that the statement was made before the IA on his own, and was signed without threat, force or coercion. Thus, in the instant matter, I find that the statement of Noticee 7 has been made before the IA without any threat or pressure..

28.11 Further, with respect to submission of Noticee 8 that in the instant case, SEBI had not recorded his statement and that copy of the statement provided to him did not contain the signatures of IA and hence the statement cannot be relied upon, I note from the statement of Noticee 8 available on record that, the said statements were recorded in some other matter and are dated March 14, 2022 and June 23, 2022 and the same was duly signed by Noticee 8. Further, Noticee 8 in his reply to the SCN has also quoted reference to the submissions from the said statement, which he claims now to be signed by him, under threat from IA and that the submissions were created by IA at his whims and fancies.

This clearly shows that he is trying to plead innocence now by disassociating himself from the statement recorded during the course of Investigation. Further, I note that inadvertently, the sign of IA is missing, however, Noticee 8 had duly signed the same. With respect to his submission that IA had filled in the details himself by taking his signature, I note that if this were the case, Noticee 8 should have lodged a complaint with SEBI or raised this issue with the police, which he did not do. Further, I note that Noticee 8 is not only involved in the instant case rather, Noticee 8 was involved in many cases as the same is also evident from his submission above, that his statements were recorded in some other matters. The details of the cases, wherein he was involved and penalized by SEBI is tabulated below:

Name of the Matter	Provisions Violated	Penalty	Order Date
In the matter of Covidh Technologies Limited	Regulation 3(a)(b)(c)(d), 4(1), 4(2)(a)(k) of PFUTP Regulations read with Section 12A(a),(b) and (c) of SEBI Act	Rs. 25,00,000 (Rupees Fifteen Lacs Only)	June 30, 2022
In the matter of trading activities of certain entities in the scrip of Panafic Industrials Limited	Section 12A(a), (b) and (c) of the SEBI Act, 1992 read with Regulations 3(a),(b),(c),(d) and Regulations 4(1) and 4(2)(k) of SEBI (PFUTP) Regulations, 2003	Rs. 15,00,000 (Rupees Fifteen Lacs Only)	January 18, 2023
Stock Recommendation using social media -Telegram channel in the matter of Superior Finlease Limited	Sections 12A(a), (b) and (c) of the SEBI Act and Regulations 3(a), (b), (c), (d) read with Regulations 4(1), 4 (2) (a), (d) and (e) of the PFUTP Regulations, 2003. Further, I find that Noticees 1 to 5 had also violated Regulation 4(2)(k) and (r) of the PFUTP Regulations, 2003.	Rs 1,00,00,000 (Rs 1 Crore Only)	May 22, 2024 (Final WTM Ord)
In the matter of Swarnim Trade Udyog Limited	SEBI Act & PFUTP Regulations	Rs 50,00,000/- (Rupees Fifty Lakhs Only)	May 31, 2024 (Final Order of WTM)

28.12 Therefore, his submission is nothing but an afterthought to escape the alleged violations. Thus, submission of Noticee 8 is bereft of merits.

28.13 As regards submission of Noticees 7 and 8, that the screenshots were not from the Telegram app and the relevant annexures provided to them did not appear to be a screenshot of any app, rather a created document, and were not even signed by them, I note from the material available on record, that the

screenshots were seized by SEBI in a search and seizure operation, conducted at the premises of Noticee 8. Further, the said search and seizure operation was carried out by SEBI, after having followed due process of law, and if there were any procedural or legal lapses, the same should have been raised by Noticees 8 or have lodged a complaint with SEBI at that moment or at any time later. However, no such issues were raised by Noticee 8. Now, at this juncture, after having received the adverse evidence against him, Noticee 7 is claiming that the screenshots are fabricated. Thus, the contention of the Noticee 7 appears to be an afterthought, in order to escape the allegations levelled against him. Therefore, submissions of the Noticees 7 and 8 are devoid of merits.

28.14 As regards submission of the Noticees 7 and 8 that no certificate under Section 65B of BSA, was provided to prove the veracity of such messages and thus the said messages clearly appear to be forged and had not been sent or received by them, and further submission of Noticee 6 that no authenticated copies of CDR was provided to him, I note that Section 1 of the BSA, categorically mentions that it applies to “*all judicial proceedings in or before any Court*”. The present proceedings before SEBI are quasi-judicial in nature and the provisions of BSA are not applicable. It is important to mention that the Noticees 6, 7 and 8 have raised a general question as to the veracity and reliability of the data without pointing out even a single infirmity with the data.

28.15 With respect to the submission of Noticee 8, that upon examination of his CDR, no calls were observed to have exchanged between him and Noticee 6, I note from the CDR of Noticee 8 available on record, that no calls were observed between Noticee 8 and Noticee 6 (With Mobile No -99XXXXXX89) and therefore, observation in the SCN that mobile number of Noticee 6 was culled out from the CDR of Noticee 8 does not stand and hence, the submission of Noticee 8 is acceptable to the extent that there were no direct calls between Noticee 6 and 8.

28.16 As regards submission of Noticee 7, that there was no communication between him and Noticee 6 as on the alleged date of recommendation, I note from CDR of Noticee 7 that he was consistently in touch with Noticee 6 over



phone from January 22, 2022 to June 01, 2022, and the said calls were made by Noticee 7 to Noticee 6 and CDR shows no calls prior to that i.e. not even in the year 2021. Upon perusal of the CDR, I note that there was 1 call in the month of January 2022 and total 28 calls in the month of February 2022, i.e. in the month when the first message was circulated. I note that there were maximum no of 22 calls between them on February 15, 2022, 2 call in March 2022, 1 call in April 2022, 2 calls in May 2022 and 1 call in June 2022. Further, upon perusal of the statement of Noticee 6 recorded on October 17, 2023 during the course of investigation, I note that Noticee 6 had admitted that he was introduced to Noticee 7 through Mr. Viral Kapadia and he didn't remember talking to him. Further, upon perusal of statement of Noticee 7 recorded before IA, I note that he had mentioned that Noticee 6 is a distant relative of said Mr. Viral Kapadia and he also claimed to have met Noticee 6 through Mr. Kapadia. He had further admitted that there was no delays between him and Noticee 6. Thus, from the above, I note that Noticee 6 has contradicted his own submission, since he was continuously talking to Noticee 7 over phone and the said calls were during the IP only. Further, I note that apart from Telegram chats, Noticee 7 was in touch with Noticee 8 over phone calls. Thus, this clearly shows that Noticee 7 had acted as a conduit between Noticees 6 and 8.

28.17 Further, upon perusal of statement dated March 14, 2022 of Noticee 8, I note that Noticee 8 had admitted that he used to get calls from representatives of those who wanted to sell their shareholding in a Company for promotion of such company on Telegram Channels. He had further submitted that those representatives used to inform him about the name of the company, the target price, the target quantity to be sold, dates on which recommendations about the scrips were to be made on Telegram channels, etc. and on such call, he also used to discuss about his commission, commission of entities running the Telegram Channels along with the advance payment. He had also admitted to receiving commission in cash, which used to range from 2% to 10%. Upon perusal of response of Noticee 8 to the SEBI's query during investigation on the name of the scrips for which he had offered his services, I note that with

respect to DOL, Noticee 8 had named representatives as Mr Mehul Shah and Noticee 6. He had also admitted to have been involved in other scrips with Noticee 7 in the scrip of Retro Green Revolution Limited, Anand Rayons Limited and Moksh Ornaments Limited. Thus, this clearly shows the nexus between Noticee 8 and 7, which further gets supplemented by the fact that Noticee 7 had acted as a conduit between Noticee 6 and 8 and all three of them were connected with each other, wherein Noticee 7 and 8, being key persons involved in message circulation on Telegram channels. I also note that it is impossible for an individual to be involved in circulation of messages without any incentive. Although, no formal channel has been utilized by Noticees 7 and 8 with the other entities/Noticees in the instant matter to receive commission, the same was paid in Cash, as it has been admitted above by Noticee 8.

28.18 With respect to submission of Noticees 7 and 8, that if there was a meeting between Noticee 6, Mehul and Noticee 8 in Mumbai for the purposes of DOL then there was no point of them adding another middleman i.e. Noticee 7 and sharing profits. In this regard, it is noted that it is Noticee 8's own admission that Noticee 6 and 7 were Representatives from the seller's side in various scrips as detailed in previous paragraph. Further, as already established above, Noticee 8 had shared Telegram messages with Noticee 7, with a recommendation to trade in DOL scrip and Noticee 7 was consistently in touch with Noticee 6. Thus, Noticee 6, 7 and 8 were all known to one another and based upon the information received from Noticees 7 and 8, Noticee 6 had traded in the scrip of DOL during the IP. Therefore, submission of Noticees 7 and 8 that there was no purpose of adding Noticee 6 between them is bereft of merits.

28.19 With respect to submission of Noticee 8, that there were no call exchanges between him and Noticee 6, even when the SCN at para 12.13 alleged that he had met Noticee 6 along with Mehul Shah on February 23, 2022, and thus, it cannot be interpreted that they had met at a place in Mumbai, and corresponding submission of Noticee 6 that Noticee 8 in his statement had mentioned of meeting Mr Mehul Shah and not Noticee 6. In this regard, I note that it cannot

be a mere co-incidence that Noticee 8, who is a resident of Neemuch district in Madhya Pradesh, Noticee 6 being a resident of Ahmedabad and Mr. Mehul Shah, a resident of Mumbai, all meeting at a place in Mumbai, without prior co-ordination between them, that too in a scenario, wherein Noticee 8, who was involved in circulation of messages with Noticee 7 and Noticee 6 trading during the IP in scrip, whose messages were being circulated along with CDR speaking volumes about the calls between Noticee 6 and 7. Further, the connections established in pre-paras above and location analysis adequately show that Noticee 6 had met Noticee 8 through Mehul Shah on February 23, 2022, i.e. a day prior to circulation of the message on February 24, 2022. Further, Noticee 8 had duly admitted that Noticee 6 was a representative from seller's side in the scrip of DOL. Thus, submission of the Noticees 8 and 6 do not hold any merits.

28.20 With respect to allegation on Noticee 7 being in touch with Noticee 8 through phone calls, from December 05, 2021 to March 09, 2022, and submission of Noticees 7 and 8, that in said conversations, Noticee 7 wanted to buy some masks and sanitisers from Noticee 8, as he operated a medical business in Neemuch, since it also being a time of 3rd wave of Covid 19, I note that as per our records, Noticee 7 owned a liquor shop in Hingoli district of Maharashtra, having residence at Pune, and Noticee 8, owned a medical shop at Neemuch district of Madhya Pradesh. It is pertinent to note here that the distance between Hingoli and Neemuch is approx 700Kms and distance between Pune and Neemuch is approx. 800Kms. Thus, it appears to be a concocted story of Noticees 7 and 8 that Noticee 7 was in touch with Noticee 8 for procuring sanitizers and masks, wherein Noticee 7 who owned a liquor shop and not a medical store and that too procuring the same not from a distributor within his own state or within the same city rather from a person from other state staying at a distance of 800 Kms, wherein both of them also shared messages pertaining to DOL. Thus, communication between them was not related to purchase of masks rather was with respect to circulation/content of the messages to be floated in public domain. Therefore, submission of Noticee 7 and 8 cannot be relied upon and is accordingly rejected.

28.21 In view of the above, I note that the number of subscriber base, admin/operator of channels on which the messages were circulated does not hold importance, as the findings given above show beyond reasonable doubt that Noticees 7 and 8 were involved in floating messages, giving buy recommendation in the scrip of DOL.

**29. Findings with respect to Noticees 1, 2, 3, 4, 5, 6, 10 and 11**

29.1 Before getting into the trade details and fund flow between the Noticees involved, I would like to refer to the statements of the Noticees 1, 2, 3, 4, 5, 6 and 10 on record.

**Statement of Noticee 2 and 5**

29.2 Noticee 2 had submitted that he was trading in stock market on Noticee 5's account as he was authorized by her to carry on the trades on her behalf. He admitted to knowing Noticee 6 through one Kunal Shah, who is cousin of Noticee 6 and submitted that Noticee 6 had approached him for a loan of Rs 7-8 lakhs during Covid but he had denied the same. He had even admitted to meeting Noticee 6 regularly prior to Covid. With respect to his connection with Noticee 1, he admitted that he was his friend and he had met him in 2016-17. I note that Noticee 5 did not appear for statement recording and had authorized her husband, Noticee 2 to appear for the same, wherein it was submitted that all her stock market accounts were opened by Noticee 2.

**Statements of Noticees 1, 3 and 4**

29.3 I note from the statement of Noticee 4, dated November 03, 2023, that he had mentioned that Noticee 1 used his account for trading in cash segment. He had further submitted that Noticee 2 is his friend from share market. Further, Noticee 1 himself admitted to having traded on behalf of Noticee 3 and 4, vide his statement dated October 30, 2023, recorded during the course of investigation. Noticee 1 admitted to knowing Noticee 2 since 2014-15 and also submitted that he was introduced to Noticee 6 through Noticee 2. In his statement, he had also admitted that he invests in penny stocks and knew that DOL was there since 20-30 years.

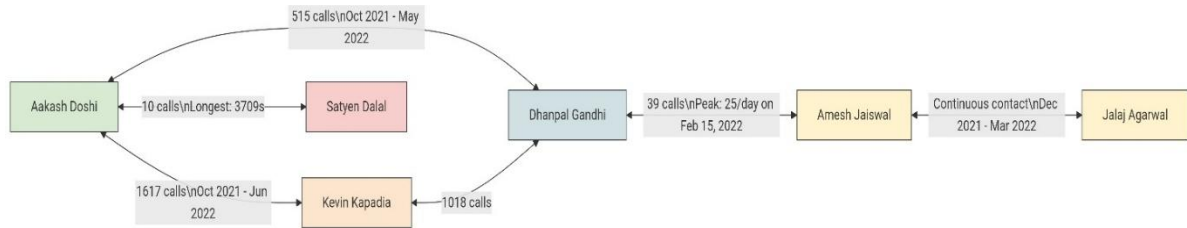
29.4 Noticee 3 submitted during the investigation that he is a diamond trader and that he did not trade in cash segment. He admitted that Noticee 1 had used his account for trading and that his bank account is jointly held with Noticee 1, which Noticee 1 used to operate using internet banking.

**Statements of Noticees 6 and 10**

29.5 Noticee 6 submitted that he was working with Blue Angel Brokers Pvt Ltd and usually operated from Ahmedabad but also at that time visited Mumbai. He had submitted that his wife, Noticee 11 was 12<sup>th</sup> pass and his brother Noticee 10, who worked with Intas Pharma, stayed with him in Ahmedabad. He submitted that he had started his career as an arbitrageur and had lost his job during Covid, He also submitted that he had approached Noticee 2 to borrow some money for treatment of his brother-in-law, who had a brainstroke at that time. He admitted to knowing Noticee 1 through Noticee 2. He admitted having traded on behalf of Noticees 10 and 11 in the shares of DOL and had submitted the same was done on the behest of Noticee 2.

29.6 Noticee 10, vide his statement recorded on February 01, 2024 had submitted that he does invest in stock market and intra day trades in his account were undertaken by his brother, Noticee 6. I note from his statement that he had admitted of sharing his User ID and password, with Noticee 6, for trading and that he used to receive the messages for all the trades undertaken by Noticee 6.

29.7 From the above submission of Noticees 1,2,3,4,5,6 and 10, I note that admittedly there was a connection between them, wherein Noticee 1 was connected to Noticee 2 as they being friends and they had spoken about 1617 times during the period from October 01, 2021 till June 30, 2022. Similarly, Noticees 1 and 4 had talked to Noticee 6 for 515 times from October 2021 till May 2022 and they had talked to Noticee 2 for 1018 times. The entire connection between Noticees 1,2,4,6,7, 8, 9 is shown in the diagram below. I also note that that frequency of calls between them started decreasing post March 2022 which, according to investigation, was the time by which the entire scheme had already been implemented.



With this background in mind, I find pertinent to move forward and delve into the findings with respect to the trades and fund flow movement between the Noticees.

### LTP Trades of Noticees 1, 3, 4 and 5

29.8 With respect to the submission of Noticees 1, 3 and 4 that they had neither contributed to market LTP, NHP with the so-called group nor had they contributed NHP in buy order first trades with non-group entities, I note from the material available on record that Noticees 1, 3, 4 and 5 were among the top 10 LTP contributors among buyers and had contributed Rs 1804.30 to net LTP and Rs 2792.80 to total market positive LTP. The details of top 10 LTP among buyers are given below:

Client Name	All Trades			LTP diff >0			LTP diff <0			LTP diff=0			% LTP to total market positive LTP
	LTP Impact	Traded Qty	No of Trades	LTP Impact	Traded Qty	No of Trades	LTP Impact	Traded Qty	No of Trades	Traded Qty	No of Trades		
Aakash Doshi (Noticee 1)	833.25	368662	4919	1203.70	90538	795	-370.45	102911	1327	175213	2797		23.44%
Kruti Kevin Kapadia (Noticee 5)	618.95	78511	641	700.85	29993	327	-81.90	19751	139	28767	175		13.65%
Richi Dilip Doshi (Noticee 4)	256.90	146291	1446	455.50	37029	340	-198.60	43975	642	65287	464		8.87%
Dilip Ramanlal Doshi (Noticee 3)	95.20	398484	4502	432.75	72181	551	-337.55	102784	1744	223519	2207		8.43%
Akram Yahiya Khan	54.65	210	28	57.60	29	22	-2.95	62	3	119	3		1.12%
Nakul Paresh Bhalakia	23.65	3119	50	34.75	160	14	-11.10	1921	24	1038	12		0.68%

Ashutosh Ranjan	21.05	54	13	21.55	33	6	-0.50	3	3	18	4	0.42%
Srinu Tella	19.05	34	9	19.05	28	7	0.00	0	0	6	2	0.37%
<b>Total</b>	<b>1956.55</b>	<b>996033</b>	<b>11625</b>	<b>2961.00</b>	<b>230355</b>	<b>2073</b>	<b>1004.45</b>	<b>-271408</b>	<b>3883</b>	<b>494270</b>	<b>5669</b>	<b>57.66%</b>
<b>Market total</b>	<b>83.70</b>	<b>3547106</b>	<b>44327</b>	<b>5134.90</b>	<b>709305</b>	<b>7882</b>	<b>5051.20</b>	<b>-769561</b>	<b>10634</b>	<b>2068240</b>	<b>25811</b>	<b>100.00%</b>

- 29.9 With respect to LTP trades, I note that Noticee 1's counterparty for the 6 trades executed by him on Septmeber 13, 2021 was Noticee 10, for 2 trades executed on September 13 and 14, 2021, the counterparties were Noticees 2 and 10 respectively. Further there were 3 LTP trades executed by Noticee 1 on October 10, 2021, with his own father i.e Noticee 3. Similarly, there were 21 LTP trades executed by Noticee 1 with maximum number of trades on November 25, 2021 and 21 buy trades were executed with Noticees 6, 10 and 11. In the month of December, I note that Noticee 1 had executed only 2 buy trades that too with his brother, Noticee 4 and another one with Noticee 5. Further, Noticee 1 had executed total 9 LTP buy trades with Noticees 5 and 10, in the month of January 2022. Lastly, in the month of February 2022, Noticee 1 was observed to have executed 11 LTP buy trades with various Noticees, viz, Noticee 3, 4, 5, 10, etc. I note that the last trade executed by Noticee 1 was on on February 23, 2022, i.e. a day prior to the sharing of message between Noticee 8 and TBO.
- 29.10 Similarly, Noticee 3 had executed 43 LTP buy trades in the year 2021, which were executed with various Noticees, viz, Noticee 1, 4, 5, 6 10 and 11 and other entities. Further, Noticee 3 had executed 28 LTP buy trades in the month of Febraury 2022, with the maximum no. of 23 trades on February 24, 2022, which were executed with various entities including Noticees 1 and 10 and last 2 trades were executed on March 03, 2022 i.e. a day prior to the circulation of second message. The said trades had got executed with Vivid Mercantile Limited.
- 29.11 With respect to LTP trades of Noticee 4, I note that he had executed 2 LTP trades with Noticees 10 and 11 in the month of September 2021 and had executed 8 trades with Noticees 1,5, 10 and 11 in the month of October 2021. I note that 13 LTP buy trades were executed by him with Noticees 5, 6,10 and 11 in the month of November 2021. However, there was only 1 LTP buy trade

executed by Noticee 4 in the month of January 2021, which had got matched with Noticee 1. Further, I note that there were 18 LTP buy trades executed by Noticee 4 in the month of February 2022, which had got matched with Noticees 1 and 10.

29.12 Further, as regards, Noticee 5, I note that she had executed only 3 LTP buy trades in September 2021, wherein counterparty to her trades were Noticees 3, 6 and 10. She had executed 10 LTP buy trades in the month of October 2021, which got matched with Noticees 1, 3, 10 and 11. Further, she had executed 7 LTP buy trades in the month of November 2021, with Noticees 1,6 and 10. She had executed only 2 LTP buy trades in the month of December 2021, which got matched with Noticee 1. In the month of January 18 LTP buy trades were executed by Noticee 5. Thus, in view of the above, I note that Noticees 1,3,4 and 5 had contributed to LTP during the IP.

29.13 With respect to. the submission of the Noticees 1, 3 and 4 that the orders of the counter party were keyed-in before the orders placed by them, and thus they had only tried to buy the shares at the relevant price already seen on the system and they should not be charged with allegedly establishing high price through first trades, I note that although the order time was keyed in by them after the counterparties had placed order, but the time difference between the counterparty order placement time and order time of the Noticees 1,3 and 4 ranged from 4 milliseconds to approx. 3 hrs 56 minutes in all the LTP trades executed by them. Further, I note that executing trades, at a price, higher than the LTP i.e. at a price higher than the market price and the same getting matched with own family members and friends does not validate the trades, even if the orders were placed after the counterparty orders. Further, I note from the material available on record that Noticees 1, 3 and 4 had started buying shares in the DOL in early 2021, when the price was at approximately Rs 11 and as already detailed above, they had bought the shares till March 2022, i.e., when the shares had fallen to Rs 40. Further, I note that as on date, Noticees 1, 3 and 4 and 5 do not have any holding in DOL. Therefore, submission of Noticees 1,3 and 4 is bereft of merits.

#### **NHP Trades of Noticees 1,3, 4, 5 and 10**



Client name	Quantity Traded	Buy order qty for the trades	Number of trades	Contribution to market NHP	% of market NHP	Contribution among Group	NHP Contribution NHP in buy first trades with non-group entities
Aakash Doshi (Noticee 1)	1234	5913	14	14.50	17.47%	0	0
Kruti Kevin Kapadia (Noticee 5)	13	22	4	6.40	7.71%	2.00	0
Dilip Doshi (Noticee 3)	410	3053	12	5.95	7.17%	0	2.40
Richi Dilip Doshi (Noticee 4)	1	1	1	3.65	4.40%	3.65	0
Darshan Gandhi (Noticee 10)	276	1100	2	0.25	0.30%	0.05	0
<b>Total</b>	<b>1934</b>	<b>10,089</b>	<b>33</b>	<b>30.75</b>	<b>37.05%</b>	<b>5.70</b>	<b>2.40</b>
<b>Market total</b>	<b>13681</b>	<b>84,754</b>	<b>166</b>	<b>83.00</b>	<b>100.00%</b>	<b>5.70</b>	<b>2.40</b>

29.14 Before dealing in to the details of the NHP trades, it is pertinent to refer to the details of NHP contributed by the Noticees 1,3,4,5 and 10 in the table above. From the above table and material available on record, I note that during patch 1, price of the scrip had moved from open price of Rs 64 to a high price of Rs 147 and a new high price of Rs 83 was created. Further, I note that the Noticees 1,3,4,5 and 10 as a group had contributed Rs 30.75 to market NHP, which constituted 37.05% of market NHP. I note that most of these orders were being placed for quantities of 100 or less. In this regard, I note that Noticee 1 had executed total 14 NHP buy trades, which had contributed to 14.50% of market NHP and out of 14 NHP buy trades, 12 trades had taken place in the month of February 2022. Similarly, I note that, Noticee 3 had executed total 12 NHP buy trades during the IP and 6 NHP buy trades, were executed by him in the month of March 2022, with 4 NHP buy trades on March 03, 2022 and 1 NHP buy trade on March 04, 2022, i.e., a day prior to the day, when the message was circulated by Noticees 7 and 8. Further, I note from the trade log that Noticee 4 had executed only 1 NHP buy trade, Noticee 10 had executed 2 NHP

buy trades and Noticee 5 had executed 4 NHP buy trades. I note that the Noticees 1,3,4,5 and 10 had contributed total Rs 5.70 to market NHP by executing trades within the group and with the non-group entities, they had contributed Rs 2.40 to market NHP.

#### **First trades of Noticees 1, 3, 4, 5, 6 and 11**

29.15 As already detailed in pre-paragraphs, I note that Noticees 1, 3, 4, 5, 6 and 11 were observed to be the buyers in 63 first trades and out of all those 63 trades 51 trades were for 100 shares or less, and I note that they have failed to explain the logic of having placed the orders in this manner. In this regard, first trades as buyer by the Noticees 1, 3, 4, 5, 6 and 11 during the IP are given below:

Client name	Total number of first trades	Traded quantity first trades	Number of first trades at positive LTP	Net LTP	Positive LTP	Number of first trades among group	Positive LTP contribution in first trades among group
Aakash Doshi (Noticee 1)	21	295	14	23.80	31.45	2	2.30
Kruti Kevin Kapadia (Noticee 5)	15	300	11	25.10	27.50	1	4.00
Richi Dilip Doshi (Noticee 4)	12	185	7	3.75	11.65	1	3.70
Dilip Ramanlal Doshi (Noticee 3)	12	386	10	7.40	13.90	0	0.00
Dhanpal Gandhi (6)	2	26	0	-7.90	0.00	0	0.00
Jalpa Dhanpal Gandhi (Noticee 11)	1	50	0	0.00	0.00	0	0.00
<b>Total</b>	<b>63</b>	<b>1242</b>	<b>42</b>	<b>52.15</b>	<b>84.50</b>	<b>4</b>	<b>10.00</b>
<b>Market total</b>	<b>127</b>	<b>3340</b>	<b>69</b>	<b>5.85</b>	<b>123.90</b>	<b>4</b>	<b>10.00</b>

29.16 Further, I note that they had contributed to Rs 84.50 to market positive LTP. I also note that in first trades among themselves they had contributed Rs 10.0 to positive LTP and in remaining 59 first trades with non-group entities, they had contributed Rs 74.5 to positive LTP. I note from the trade log that out of 16 first

trades, they had placed buy order first and contributed Rs 3.6 to positive LTP through those trades.

29.17 Thus, the above details show that Noticee 1 had executed trades in his own account and the accounts of his father (Noticee 3) and brother (Noticee 4), and they had contributed to LTP, NHP and had executed first trades in the scrip of DOL. Similarly, Noticee 6 had executed trades in his account and the accounts of brother (Noticee 10) and wife (Noticee 11). Thus, I note from the above findings on LTP trades, NHP Trades and First trades that Noticees 1,3, 4, 5, 6, 10 and 11 had deliberately executed trades to manipulate the scrip, which is evident from the counterparty to the trades in case of LTP trades. The counterparties in all the above trades were all group entities, who knew each other. Further, I note that in a market, wherein trades are executed on an anonymous trading platform, matching of trades, with the known entities is not possible. It is nothing but a prior meeting of minds.

29.18 I note that direct evidence is not forthcoming in the present matter, however, the trading behaviour of the Noticee makes it clear that aforesaid non-genuine trades could not have been possible without prior meeting of minds. In this context, I deem it appropriate to refer to the judgement of the **Hon'ble SAT order dated July 14, 2006, in the matter of Ketan Parekh vs. SEBI** (Appeal no. 2/2004), wherein the Hon'ble SAT has held that - *"The nature of transactions executed, the frequency with which such transactions are undertaken, the value of the transactions, the conditions then prevailing in the market are some of the factors which go to show the intention of the parties. This list of factors, in the very nature of things, cannot be exhaustive. Any one factor may or may not be decisive and it is from the cumulative effect of these that an inference will have to be drawn."*

29.19 I also place my reliance on the judgment of Hon'ble SAT in the matter of **Global Earth Properties and Developers Pvt Ltd** dated September 14, 2020, wherein it was held that, *"It is not a mere coincidence that the Appellants could match the trades with the counter party with whom he had undertaken the first leg of respective trade. In our opinion, the trades were non-genuine trades and even though direct evidence is not available in the instant case but in the peculiar facts and circumstances of the present case there is an irresistible inference that can be drawn that there was*

*meeting of minds between the Appellants and the counter parties, and collusion with a view to trade at a predetermined price.”*

29.20 In **Sanjay Kumar Tayal & Others vs SEBI** (Appeal No. 68 of 2013) decided by the Hon'ble Securities Appellate Tribunal ('SAT') on February 11, 2014), where an entity was found to have raised the New High Price (NHP) by placing just 1 share in buy order, in each of nine transactions, when sell orders were available for higher quantity (contributing to 9.17% of NHP), the Hon'ble SAT while upholding the findings and penalty imposed by the Adjudicating Officer, vide its Order dated February 11, 2014, inter alia observed as under:

*“9. .... Very fact that the appellant had indulged in self trades/ LTP/ NHP without giving justifiable reason, clearly justifies the inference drawn by the AO that the trades executed by the appellant were manipulative trades.*

*10. ... In the facts of the present case, in our opinion, no fault can be found with the decision of the AO that the trades executed by the appellant were manipulative trades and hence, the appellant was guilty of violating the SEBI Act and the PFUTP Regulations.”*

29.21 I would also like to rely upon the judgement of Honb'le SAT in the matter of **Rahul Kumar Vs SEBI**, decided on May 19, 2023, wherein it was held that

*13.....Further, we find that these noticees were selling the shares in miniscule quantities creating NHP and by such trades increased the price of scrip which was manipulative and violative of Regulations 3 and 4 of the PFUTP Regulations.*

*14..... The contention that there was no manipulation or structured trade is patently erroneous in as much as we find that the trading pattern of the buyers and the sellers was that they traded in close proximity of time inter-se between them. The buy and sell orders were placed within a short time interval varying from 1 minute to 2,3 or 4 minutes. In our view, such trading pattern as found by the AO cannot occur by accident or by coincidence. The trading pattern leads to an inference that there was a meeting of minds with a pre-determined plan and, therefore, there was a collusion between the parties. Such trades executed, in our opinion, are not genuine and were done with a fraudulent intent to create artificial volume in the scrip*

*16.On the analysis of the trading pattern of the noticees that is placing of buy orders for small quantity, it is evident that the price of the scrip was manipulated by the noticees*

*and, therefore, the finding that there was an intent to manipulate the price of the scrip does not suffer from any error of law.*

*17. Consequently, the findings that noticees no. 1, 2 and 3 have manipulated the price of the scrip through small trades does not suffer from any error of law. Further, the trading pattern of noticees no. 1, 2 and 3 with noticees no. 9,11 and 12, clearly indicates that these structured trades were done with the intent of creating artificial volumes and misleading appearance of trading with the intent of misleading the investors. Such structured trades were violative of Section 12A of the SEBI Act read with Regulations 3 and 4 of the PFUTP Regulations. The decisions cited by the learned counsel for the appellants are not applicable to the facts of the present case.*

29.22 In view of the above, I note that the trades undertaken by the Noticees 1,3,4,5,6, 10 and 11, were done with a view to manipulate the price and volume of scrip of DOL, which was nothing but a fraud played by them, upon other gullible investors, who were not even aware of the nexus and the manipulative intent between the said Noticees.

29.23 As regards, submission of Noticees 1, 3 and 4 that they had paid the capital gains taxes in respect of the profits earned by them by executing the trades, I note that paying the taxes on the unlawful gain profit does not validate their trades.

29.24 With respect to submission of Noticees 6, 10 and 11, that no loss has been caused to an investor or group of investors, I note that the Supreme Court, in **SEBI vs. Rakhi Trading Private Ltd.** case, in Civil appeals no.1969 of 2011 with Civil Appeal Nos.3174-3177 of 2011 and Civil Appeal No.3180 of 2011, decided on February 8, 2018 had held that, “*Orchestrated trades are a misuse of the market mechanism. It is playing the market and it affects the market integrity*”. Thus, their submission that no loss was caused to investors, cannot be accepted.

29.25 As regards submission of Noticee 6, that he does not have a telegram account and there is nothing on record to substantiate that he had aided in posting of Telegram Recommendations and the said allegation is baseless and without any conclusive/concrete proof, I note that Noticee 7 during the IP, had called Noticee 6 for about 35 times, with the maximum no of 22 calls on February 15,

2022, i.e., prior to circulation of messages. Further, as already mentioned in pre-para that Noticee 8 had also named Noticee 6 as one of the representatives involved from seller's side in the scrip of DOL and Noticee 6 had met Noticee 8 with Mehul Shah on February 23, 2022. Thus, having a telegram account is not a pre-requisite of not having manipulated the scrip. Further, I note that Noticee 6 was involved in First trades, executed the same in account of Noticee 11, and had also executed NHP trades in the account of Noticee 11, which as established above were fraudulent and manipulative trades. His calls with Noticee 7 and 8 during the IP indicate his involvement in manipulation of the price of scrip. Therefore, submission of Noticee 6 is bereft of merits.

29.26 With respect to submission of Noticee 6 that he had not played any role in the alleged circulation of messages as the price and volume fell after March 4, 2022, which established the fact that the message did not have any impact on the price and volume, I note that it has already been established in pre-para above that Noticee 7 had acted as a link between Noticees 6 and 8, and he was also in touch with them through telephonic calls apart from trading in the scrip of DOL during the IP and contributing to LTP through first orders. Therefore, his contention is bereft of merits.

29.27 In light of the aforesaid stated facts, I find no merit in the contentions of the Noticees 1,3,4,6,10 and 11 that the trades were of miniscule quantity and had little or no impact.

### **Findings with respect to fund flow movement**

29.28 I find pertinent at this juncture to refer to the table below, which shows the flow of funds between the connected Noticees and the profits made by the Noticees in the entire scheme:

**Table showing Fund Flow Movement**

Source	Destination	Amount	Purpose	Connection
Noticee 9	Noticee 3	Rs 46,00,000	Funded DOL purchases	Noticee 9, who was MD of DOL's merchant banker (FOCL)
Kapadia Corporation	Noticee 3	Rs 32,00,000	Trading activities	Noticee 5's firm with her father-in-law

Kapadia Corporation	Noticee 6	Rs 4,00,000	Trading activities	Noticee 5's firm with her father-in-law
Noticee 3	Noticee 6	Rs 2,00,000	Trading activities	Noticee 1's father to Noticee 6
Malav Shah	Noticee 6	Rs 4,50,000 (net)	Fund layering	Intermediary between Noticee 3 and 6

### **Profit made by the Noticees 1, 3, 4, 5, 6, 10 and 11 by trading in the scrip of DOL**

<b>Entity</b>	<b>Profit (Rs)</b>	<b>Percentage</b>
Noticee 3	91,72,324.20	36.50%
Noticee 1	64,66,914.70	25.80%
Noticee 5	38,43,658.50	15.30%
Noticee 4	31,79,648.90	12.70%
Noticee 6	12,07,648.70	4.80%
Noticee 10	6,93,814.40	2.80%
Noticee 11	5,44,000.00	2.20%
<b>Total</b>	<b>2,51,08,009.40</b>	<b>100%</b>

29.29 Now, having noted the movement of flow of fund and profits made by the respective Noticees mentioned above, I now proceed to deal with the submissions and findings thereon.

29.30 With respect to submission of Noticee 3 that he had known Noticee 9 since a long time as he used to stay in Tytan Apartments and they were neighbours and his further submission, that he used to visit there frequently, even after he had moved out of the building and had maintained good relations with Noticee 9 and therefore, had requested for some short-term loans for his diamond business from Noticee 9 in and around July 2021, I note from the material available on record that Noticee 9 had advanced Rs. 46 lacs to Noticee 3, whereas, Noticee 3 had returned only Rs 41.5 lacs to him. In this regard, I note that Rs 4.5 lacs had not been returned back by Noticee 3 to Noticee 9, and further, the amount that was received from Noticee 9, was transferred from the account of Noticee 3 into accounts of Noticees 1 and 4, which were subsequently, used for trading by Noticee 1. Thus, the amount as claimed by Noticee 3, that he had borrowed from Noticee 9 for diamond business, was used for trading in the scrip of DOL. Thus, I note that Noticee 9 being MD of FOCL, who was also involved in the

listing of DOL, had funded the trades of Noticee 1. The relevant transactions conspicuously showing the amount transfer to broker for trading are given below. Thus, submission of Noticee 3 is bereft of merits.

Date of credit in the account of Dilip	Amount ( in ₹)	Amount transferred to Akash/ Richi ( in ₹)	Date of transfer	Amount transferred to broker ( in ₹)
29/09/2021	5,00,000	4,00,000	29/09/2021	4,00,000
11/10/2021	15,00,000	9,00,000 and 3,00,000	12/10/2021 and 13/10/2021	3,80,000 (direct)/ 8,75,000 (Aakash)/ 3,00,000(Richi)
14/10/2021	1,00,000	-		5,10,000
03/11/2021	5,00,000	4,00,000	03/11/2021	4,00,000
08/11/2021	2,00,000	3,00,000	08/11/2021	3,00,000
23/11/2021	8,00,000	2,87,000	30/11/2021	2,87,000

29.31 I note that on the same lines, Noticee 9 submitted that around July 2021, Noticee 3 had requested a loan from him for business activities and as Noticee 3, had in the past, returned the loan amount taken from him, he had extended another loan to Noticee 3 as per his request. In this regard, I note from the hearing minutes dated January 29, 2025, vide which Noticee 9 had agreed to provide his bank account statements and other relevant documents before and after the IP, to show that there existed lending transactions between him and Noticee 3. However, till date Noticee 9 has not provided any documentary proof. Therefore, submission of Noticee 9 is devoid of merits.

29.32 With respect to submission of Noticee 9 that the funding transactions were not related to securities nor did they amount to dealing in securities and his further submission that he was not aware of the usage of funds by Noticee 3, I note that it has already been established above that the funds transferred by Noticee 9 were used for buying shares by Noticees 1, 3 and 4, and the said funding was very well within the ambit of dealing in securities, as that money had found its way into buying of shares in securities market. Even, if it is assumed for once that Noticee 9 was not aware of the usage of funds by Noticee 3, he would have definitely followed up with Noticee 3 for getting Rs 4.5 lacs back. Further, I note that neither Noticee 3 nor Noticee 9, have provided any evidence of getting Rs 4.5 lacs back, which shows that Noticee 9, who had funded buying of shares by



Doshi family, was very well aware of the usage of funds. Therefore, submission of Noticee 9 is not tenable.

29.33 With respect to calls between Noticee 9 and Noticee 1 and corresponding submission of Noticee 9 that, as Noticee 3 was not repaying the loan, he found it embarrassing to talk directly to him for paying back the money, so, he had talked to Noticee 1 for repayment of loan, I note from the CDR of Noticee 1, that there were only 10 calls from Noticee 1 to Noticee 9 and the longest call was made on May 28, 2022 for approximately, 1 hour. However, there were no calls between Noticee 9 and Noticee 3, during the entire IP, which shows that Noticee 3 had never been in touch with Noticee 9. Despite this, Noticee 9 had credited Rs 46 lacs into account of Noticee 3, which he had claimed to be a short term loan and that Noticee 3 being needy for the said loan had never contacted him for the same. Further, I find pertinent to refer to the table below, with respect to the dates on which calls were made by Noticee 1 to Noticee 9 and the date of transfer of amounts, made by Noticee 9 into accounts of Noticee 3. From the table below, I note that the first call was made by Noticee 1 to 9 on February 01, 2022 and the corresponding date of amount transfer by Noticee 9 was earlier than the date of call, which was December 07, 2021. Thus, even in the absence of any calls in the month of December 2021 and January 2022 between Noticee 1 and 9, amount to the tune of Rs 9.5 lakhs was transferred by Noticee 9 into account of Noticee 3. Further, remaining amounts were transferred in the month of March 2022 and April 2022 and there were calls between Noticee 1 and 9 during the same period, which obviously could not be for asking money back since the money was credited during the same time as the calls between them. Further, after April 2022, there were total 3 calls between them, with 2 calls in May 2022 and 1 call in June 2022. Therefore, in view of the above, submission of Noticee 9 is untenable that he was talking to Noticee 1 for getting his money back, as there cannot be a simultaneous credit into someone's account along with discussion on asking the same money back.

Date of Calls between Noticee 1 and 9	Date of credit	Amount (in ₹)
01/02/2022	07/12/2021	9,50,000

10/03/2022	04/03/2022	16,00,000
15/03/2022	16/03/2022	5,00,000
15/03/2022	22/03/2022	4,00,000
05/04/2022	30/03/2022	2,00,000
05/04/2022	05/04/2022	3,00,000
05/04/2022	06/04/2022	2,00,000
05/04/2022	<b>Total</b>	<b>41,50,000</b>
27/05/2022		
28/05/2022		
30/06/2022		

29.34 As regards submission of Noticee 6 with respect to observations in para 17.13 of SCN regarding, receiving payments from Kapadia Corporation by him and his corresponding submission that the transactions on 1/09/2022, 1/09/2022 and 21/01/2023, are debit transactions and he had not received any money as alleged, I note from the ICICI bank account statement of Noticee 6 available on record, that the aforementioned transactions for Rs 2 lakhs, 1.15 lakhs and Rs 0.99 lakhs were all debit transfer transactions to Kapadia corporation. Thus, the observation in the SCN that Noticee 6 had received funds from Kapadia corporation does not stand. However, Noticee 6 has also not given the reason for having sent the money to Kapadia Corporation, wherein Noticee 5 herself was one of the signatories to the account, along with her father-in-law, and the trades were executed in her account by Noticee 2 in the scrip of DOL, as established above. Further, I note that the transactions being debit, does not absolve Noticee 6 from the trades undertaken by him, which had contributed to NHP trades and First trades as he was also in touch with Noticee 2 over phone calls, who had traded into the accounts of Noticee 5.

29.35 Similarly, submission of Noticee 6 that there was no credit of Rs 19,000 on February 10, 2022 and as regards the transactions on February 12, 2021, his submission that there was no annexure in respect of the same. In this regard, I note from the bank account statements of Noticee 6 that no amount of Rs 19,000 was credited into his account on February 10, 2022. However, upon perusal of the bank account statement of Noticee 1, I note that there was a

credit of Rs19,000 into the account of Noticee 1 on February 10, 2022 from Noticee 6. Further, I note that Noticee 1 in response to the same, had submitted that apart from the above there was no transaction. In this regard, I note that Noticee 1 had submitted that he knew Noticee 6 through Noticee 2 and he had banking transaction with a third person (Noticee 6), whom he had met through Noticee 2. Thus, this is nothing but an afterthought of the Noticees 1, 2 and 6 to camouflage the banking transactions and an attempt to cover up the connections between them. Apart from the above, I note that Noticee 6 had received credits to the tune of Rs 6.31 lakhs and had transferred back Rs 1.81 lakhs, i.e., a net credit of Rs 4.5 lacs, was received during the period from March 2021 to March 2023 from Mr Malav Shah, who in turn, had received Rs 4 lakhs from Noticee 3, thus, indirectly Noticee 6 was funded by Noticee 3 for purchase of shares in DOL, who had traded in his own account and the accounts of Noticees 10 and 11.

- 29.36 With respect to the calls between Noticee 6, 1 and 4, submission of Noticee 6, that there was no connection with trades carried out by him and the the said calls, I note that the connection has been established above that Noticee 6 was indirectly funded by Noticee 3 to trade in the shares of DOL and further, I note that Noticee 6 has not given any substantive reason for the calls between them. Thus, the submission of Noticee 6 is not tenable.
- 29.37 With respect to to the fund transfers with Kapadia Corporation, submission of Noticee 3 that he had family relations with the Kapadia family and was advancing loans and taking loans from them on an ongoing basis, I note that Noticee 3 had not provided any documentary evidence in support of the claim of having extended/given loans to Noticee 2 or 5 or to Kapadia Corporation in the past. Thus, submission of Noticee 3 is bereft of merits.
- 29.38 With respect to the submission of Noticees 6,10, and 11 that previously the IP was January 01, 2022 to June 30, 2022 and that without any justifiable reason, it was changed from to September 01, 2021 to June 30, 2022 and IR has made bald statements about the price volume movement, without any data, which establishes that the IP was changed arbitrarily, and further establishes that they didn't have any role in the alleged scheme, I note that there is no change in IP

as alleged as the IR duly mentions the IP to be from September 01, 2021 to June 30, 2022. Further, it has already been established above that the Noticees 6, 10 and 11 had executed the convoluted trades and had manipulated the price in the scrip. Therefore, even assuming that there was a change in IP, as contended by Noticees, 6, 10 and 11, from a period to an extended one, does not legalise the manipulative trades executed by them. Thus, the submission of the Noticees 6, 10 and 11 is bereft of merits.

29.39 At this juncture, I would like to rely upon the Hon'ble Supreme Court judgement in the matter of **SEBI v Kishore R Ajmera** (AIR 2016 SC 1079) decided on February 23, 2016, wherein it was held that – *“It is a fundamental principle of law that proof of an allegation levelled against a person may be in the form of direct substantive evidence or, as in many cases, such proof may have to be inferred by a logical process of reasoning from the totality of the attending facts and circumstances surrounding the allegations/charges made and levelled. While direct evidence is a more certain basis to come to a conclusion, yet, in the absence thereof the Courts cannot be helpless. It is the judicial duty to take note of the immediate and proximate facts and circumstances surrounding the events on which the charges/allegations are founded and to reach what would appear to the Court to be a reasonable conclusion therefrom. The test would always be that what inferential process that a reasonable/prudent man would adopt to arrive at a conclusion.”*

29.40 Further, I note that the proof of fraudulent and manipulative transactions is rarely found by direct evidence rather it always depends upon the given circumstances from which inferences are drawn from the factual details, the nature of transactions, conduct of the parties etc. In this respect, it would be relevant to refer the Order of the Hon'ble Securities Appellate Tribunal (“SAT”) passed in the matter of **Ketan Parekh Vs. SEBI** (Appeal No. 2 of 2004 decided on 14.07.2006) observing as under:

*“...Any transaction executed with the intention to defeat the market mechanism whether negotiated or not would be illegal. Whether a transaction has been executed with the intention to manipulate the market or defeat its mechanism will depend upon the intention of the parties which could be inferred from the attending circumstances because direct evidence in such cases may not be available. The nature of the*

*transaction executed, the frequency with which such transactions are undertaken, the value of the transactions, .....and whether there is real change of beneficial ownership, the conditions then prevailing in the market are some of the factors which go to show the intention of the parties. This list of factors, in the very nature of things, cannot be exhaustive. Any one factor may or may not be decisive and it is from the cumulative effect of these that an inference will have to be drawn.”*

29.41 In the **Kanaiyalal Baldev Bhai Patel Vs SEBI** matter Hon’ble Supreme Court further observed as under:

*“...14. To attract the rigor of Regulations 3 and 4 of the 2003 Regulations, mens rea is not an indispensable requirement and the correct test is one of preponderance of probabilities. Merely because the operation of the aforesaid two provisions of the 2003 Regulations invite penal consequences on the defaulters, proof beyond reasonable doubt as held by this Court in Securities and Exchange Board of India Vs. Kishore R. Ajmera(supra) is not an indispensable requirement. The inferential conclusion from the proved and admitted facts, so long the same are reasonable and can be legitimately arrived at on a consideration of the totality of the materials, would be permissible and legally justified....”*

30. Thus, in view of the above, I note that Noticee 1 and 2 had indulged in an act which created misleading appearance of trading in the scrip as well manipulated the price of the scrip. I also note that they had funded Noticee 6 directly/ indirectly for trading in the scrip of DOL. Further, I note that Noticee 3,4 and 5 had aided and abetted Noticees 1 and 2, by giving access to their trading accounts for manipulation in the price and volume of the scrip of DOL.

31. I note that Noticee 6 had indulged in an act which created misleading appearance of trading in the scrip as well manipulated the price of the scrip. He along with Noticees 7 and 8 had aided and abetted the Noticees 1 and 2, by dealing with Noticees 7 and 8, who were posting recommendations of the scrip on telegram. Further, I note that Noticee 9 being connected to Noticee 1, had funded the purchase of shares of DOL on numerous occasions, by Noticees 1, 3 and 4. With respect to Noticees 10 and 11, I note that being family members of Noticee 6, they had given access to their trading accounts to him, who had used their accounts to indulge in an act which created

misleading appearance of trading in the scrip as well manipulated the price of the scrip.

32. To sum it all up, I note that, a multi-layered market manipulation scheme was orchestrated in the scrip of DOL during September 2021 to June 2022, involving Noticees across three distinct operational tiers, wherein in tier 1, Noticee 1 accumulating DOL shares through his own account and those of his father (Noticee 3) and brother (Noticee 4), while Noticee 2 traded in his wife's account (Noticee 5) and provided crucial funding support to other participants. In tier 2, the funding infrastructure was bolstered by Noticee 9, who provided Rs 46 lakhs in tranches to the Doshi family during the share accumulation phase and received back 90% of these funds during the selling phase, demonstrating scheme's temporary nature. In tier 3, the message circulation network was meticulously coordinated through Noticee 6, who served as the crucial link between the other Noticees and the Telegram platform, working in conjunction with Noticee 7 and Noticee 8 (who posted the recommendations on the Telegram platform TBO).

33. The scheme's sophistication was evident in its multi-pronged approach, whereby the Noticees, as established above, collectively contributed Rs 1,804.30 to net Last Traded Price (LTP) and Rs 30.75 to New High Price (37.05% of market NHP), placed 63 first trades (with 51 being for 100 shares or less to establish high prices), and coordinated two critical Telegram messages on February 24 and March 4, 2022, that promised "JACKPOT" returns and specific price targets. The manipulation's effect was seen in the increase in public shareholders from 1,732 to 7,536 (a 335% surge), volume spike from 8,96,967 to 32,60,595 shares, and price escalation from Rs 77 to Rs 146.7 within the January-March 2022 quarter, while the (Noticees 1,3,4,5,6,10 and 11) collectively profited Rs 2,51,08,009.40 while systematically exiting their positions.

34. In view of the foregoing, the following stands established:

34.1 Noticees 1 and 2 have violated Section 12A (a),(b)and(c) of SEBI Act r/w Regulations 3(a),(b),(c),(d), 4(1),4(2)(a),(b),(d) and (e) of PFUTP Regulations.

34.2 Noticees 3-6 have violated Section 12A (a), (b) and (c) of SEBI Act, read with Regulations, 3(a), (b), (c), (d), 4(1), 4(2) (a), (b) and (e) of PFUTP Regulations.

34.3 Noticees 7 and 8 have violated Section 12A (a), (b) and (c) of SEBI Act, read with Regulations, 3(a), (b), (c), (d), 4(1), 4(2) (a) of PFUTP Regulations.

34.4 Noticee 9 has violated Section 12A (a), (b) and (c) of SEBI Act, read with Regulations, 3(a), (b), (c), (d), 4(1), 4(2) (d) of PFUTP Regulations and;

34.5 Noticees 10 and 11 have violated Section 12A (a), (b) and (c) of SEBI Act, read with Regulations 3(a),(b),(c),(d),4(1),4(2)(a),(b) and (e) of PFUTP Regulations.

**ISSUE No. II: Do the violations, if any, attract monetary penalty under Section 15HA of SEBI Act, upon the Noticees?**

35. The provision of Section 15HA of the SEBI Act read as under:

**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.*

36. In view of the findings as given above, I am convinced that the Noticees are liable for monetary penalty under Section 15HA of the SEBI Act for violations of the provisions of SEBI Act and PFUTP Regulations, as established above.

**ISSUE No. III: If so, what should be the monetary penalty that should be imposed upon the Noticees, after taking into consideration the factors stipulated in Section 15J of the SEBI Act read with Rule 5(2) of the SEBI Adjudication Rules?**

37. While determining the quantum of penalty u/s 15HA of SEBI Act, the following factors stipulated in Section 15J of the SEBI Act have to be given due regard:-

**SEBI Act**

*“15J. Factors to be taken into account by the adjudicating officer*

*While adjudging quantum of penalty under Section 23-I, 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.”

38. I observe, that the material available on record does not quantify losses, if any, suffered by the investors due to such violations on the part of the Noticees. From the document available on record, that barring all other Noticees, violations by Noticee 8 are repetitive in nature are. Further, I note that SEBI has already passed an interim order dated June 19, 2023 in respect of Noticees 1 and 5. I note that such fraudulent activity dents investor confidence in the fairness of the markets and impacts investor participation in the long run. The regulator when faced with such instances has a duty to ensure that stringent punitive measures are taken against the perpetrators of such activities. The measures taken by SEBI in such cases need to serve as an effective deterrent. As discussed and established in the preceeding paragraphs that the Noticees were involved in the manipulation of the scrip and had non-complied with the provisions of SEBI Act and PFUTP Regulations during the IP, the same in my assessment cannot be taken leniently and such violations deserve to be adequately penalized.

## ORDER

39. After taking into consideration the facts and circumstances of the case and timevalue of unlawful gain made by Noticees, in exercise of powers conferred upon me under Section 15-I of the SEBI Act r/w Rule 5 of the SEBI Adjudication Rules, I hereby impose following penalties under Section 15HA of SEBI Act, upon the Noticees, as mentioned in the table below.

Name of the Noticees	Penalty U/s	Penalty Amount (In Rupees)
Aakash Doshi	15HA of SEBI Act	90,00,000/- (Ninety Lacs Only)
Kevin Kapadia		10,00,000/- (Ten Lacs Only)
Dilip Doshi		1,20,00,000/- (One Crore and Twenty Lacs Only)
Richi Dilip Doshi		45,00,000/- (Forty Five Lacs Only)



Kruti Kevin Kapadia		50,00,000/- (Fifty Lacs Only)
Dhanpal Gandhi		20,00,000/- (Twenty Lacs Only)
Amesh Jaiswal		10,00,000/- (Ten Lacs Only)
Jalaj Agarwal		10,00,000/- (Ten Lacs Only)
Satyen Dalal		10,00,000/- (Ten Lacs Only)
Darshan Gandhi		12,00,000/- (Twelve Lacs Only)
Jalpa Dhanpal Gandhi		10,00,000/- (Ten Lacs Only)
<b>TOTAL PENALTY</b>		<b>3,87,00,000 (Three Crores and Eighty Seven Lacs Only)</b>

I find that the penalty mentioned above is commensurate with the violations committed by the Noticees.

40. 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](http://www.sebi.gov.in) on the following path, by clicking on the payment link:

**ENFORCEMENT → ORDERS → ORDERS OF AO → PAY NOW**

In case of any difficulties in payment of penalties, Noticees may contact the support at [portalhelp@sebi.gov.in](mailto:portalhelp@sebi.gov.in)

41. In the event of failure to pay the said amount of penalty within 45 days of the receipt of this Order, SEBI may initiate consequential actions including but not limited to recovery proceedings 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.

42. In terms of Rule 6 of the SEBI Adjudication Rules, a copy of this order is sent to the Noticees and also to the SEBI.

**Place: Mumbai**  
**Date: July 30, 2025**

**AMIT KAPOOR**  
**ADJUDICATING OFFICER**