



**BEFORE THE ADJUDICATING OFFICER  
SECURITIES AND EXCHANGE BOARD OF INDIA**

**(ADJUDICATION ORDER NO: ORDER/AK/RK/2026-27/32409-32413)**

**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	AGIPK9817H
3	Dilip Doshi	AACPD8647A
4	Richi Dilip Doshi	AILPD8286G
5	Kruti Kevin Kapadia	BCRPK1909C

**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**”), to ascertain possible violation of provisions of SEBI Act, 1992 (hereinafter referred to as the “**SEBI Act**”) and SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 (hereinafter referred to as “**PFUTP Regulations**”) based on recommendations circulated on Telegram channel. 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**), and Kruti Kevin Kapadia (**Noticee 5**) (hereinafter jointly referred to as the “**Noticees**”) had, prima facie, violated various provisions of SEBI Act and PFUTP Regulations.



3. Subsequently, upon finding that the Noticees have violated various provisions of SEBI Act and PFUTP Regulations, an Adjudication order (hereinafter referred to as the “**AO**”) No. ORDER/AK/RK/2025-26/31553-31563 dated July 30, 2025 was passed, inter alia, against the Noticees. Noticees preferred an appeal against the said AO before the Hon’ble Securities Appellate Tribunal (SAT). SAT, vide its orders (**SAT orders**) directed the following in respect of the Noticees:

Name of the Noticee	Date of SAT Order	Direction given by SAT
Kruti Kevin Kapadia	04/11/2025	Re-examine the matter by giving an opportunity of hearing to the appellant.
Kevin Kapadia	21/11/2025	Remitted the matter for fresh consideration in accordance with law.
Aakash Doshi	26/11/2025	Referred to order dated 21/11/2025 in respect of Kevin Kapadia, and remitted the matter back for fresh consideration in accordance with law, with all contentions of both the parties kept open.
Dilip Doshi	15/12/2025	Remitted the matter for fresh consideration in accordance with law, with all contentions of both the parties kept open.
Richie Dilip Doshi		

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

4. In compliance with the above, undersigned was appointed as the Adjudicating Officer, vide orders dated November 18, 2025, December 17, 2025 and December 23, 2025 in respect of Noticee 5, Noticee 1 and 2 and Noticee 3 and 4 respectively, u/s 15-I of SEBI Act, and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as “**SEBI Adjudication Rules**”) r/w Section 19 of SEBI Act to inquire into and adjudge u/s 15HA of the SEBI Act, the alleged violations by the Noticees.

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

5. A common Show Cause Notice dated July 02, 2024 (hereinafter referred to as “**SCN**”) was earlier 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.

6. Pursuant to the restoration of the matter, the appointment of undersigned in the matter was communicated to the Noticees, vide hearing notice dated December 30, 2025, and with reference to the SCN they were granted an opportunity of personal appearance before the undersigned on January 12, 2026. In response to the hearing notice, the Authorized Representative (AR) of Noticee 2 and 5, vide email dated January 07, 2026 sought an opportunity for inspection of documents and cross-examination in the matter. The opportunity for inspection of relevant and relied upon documents in the matter was given and duly availed by the AR of Noticee 2 and 5 on January 13, 2026. As regards their request for cross-examination, it was informed that the same would be granted if warranted and shall be considered, post their reply on merits in the matter. Noticee 2 and 5 were given an opportunity to submit reply in the matter, latest by January 21, 2026. However, vide email dated January 13, 2026, AR of Noticee 2 and 5 sought an extension of time to file reply in the matter. Vide email dated January 14, 2026, they were given time till January 31, 2026 to submit reply in the matter. However, Noticee 2 and 5 did not submit reply by the specified time, and hence, vide email dated March 04, 2026, an opportunity of hearing in the matter was given to them on March 16, 2026 and also given time to submit reply in the matter by March 11, 2026. Vide email dated March 14, 2026, Noticee 2 and 5 submitted their reply in the matter. The said hearing was attended by the AR of the Noticee 2 and 5, who reiterated the submissions made by the Noticee 2 and 5, vide letter dated March 14, 2026. The AR also made additional common submissions, vide email dated April 01, 2026.
7. AR of Noticee 1, 3 and 4, vide email dated January 09, 2026 sought adjournment of the hearing scheduled on January 12, 2026. The said request of the AR was acceded to, vide email dated January 12, 2026 and Noticee 1, 3 and 4 were provided with an opportunity of hearing on January 30, 2026. Vide email dated January 20, 2026, AR requested for cross-examination of Dhanpal



Gandhi. Again, vide email dated January 26, 2026, AR of Noticee 1,3 and 4 requested for cross-examination of Dhanpal Gandhi, and synchronized trade details in the matter. Vide email dated January 28, 2026, AR was informed that the synchronized trade details were not available on record and there was no allegation in the SCN that Noticee 1 had been identified as main perpetrator based on the statement of Dhanpal Gandhi, and hence, request of the AR for cross-examination was denied. Further, vide the said email, AR was given an opportunity to submit reply in the matter by January 30, 2026.

8. Vide email dated January 29, 2026, AR of Noticee 1, 3 and 4 again requested for cross-examination of Dhanpal Gandhi and also requested to reschedule the hearing in the matter. Hearing in the matter was rescheduled to February 09, 2026, vide email dated February 02, 2026. AR of the Noticees 1, 3 and 4, vide email dated February 09, 2026 again requested to reschedule the hearing in the matter to a later date. Hence, the hearing in the matter was rescheduled to February 25, 2026, vide email dated February 11, 2026. The said hearing was attended by the AR of Noticees 1, 3 and 4. However, the matter was partly heard on February 25, 2026 and final hearing in the matter was concluded on March 06, 2026, wherein AR reiterated the submissions made by the Noticees 1, 3 and 4, vide letters dated January 21, 2025, January 27, 2025, and January 28, 2025, and additional submissions dated February 15, 2025, February 17, 2025 and March 11, 2026. Further, AR of the Noticees 1, 3 and 4 made additional submissions, vide emails dated March 06, 2026, March 10, 2026, and April 06, 2026.

9. I note that the following were the findings of investigation on the basis of which allegation were made against the Noticees in the SCN;

9.1 The price and volume of the scrip of DOL was manipulated and Noticee 1 (by using his own account, accounts of his father, i.e. Noticee 3 and brother, i.e. Noticee 4) and Noticee 2 (by using the account of his wife, i.e. Noticee 5). They, along with the aides viz, Dhanpal Gandhi (identified as Noticee 6 in the AO, hereinafter referred to as Noticee 6), who was further aided by his brother, Darshan Gandhi (identified as Noticee 10 in the AO, hereinafter



referred to as Noticee 10), and his wife, Jalpa Dhanpal Gandhi(Noticee 11 in AO, hereinafter referred as Noticee 11), Amesh Jaiswal (Noticee 7 in AO, hereinafter referred as Noticee 7) and Jalaj Agarwal(Noticee 8 in AO) had allegedly indulged in an act, which created misleading appearance of trading in the scrip and manipulated the price of the scrip. Noticees 1 and 2 had also allegedly funded Noticee 6 directly/indirectly, who not only traded in his own account and account of his family members, but also served as a link for posting recommendations on Telegram. Noticees 7 and 8 also aided and abetted the scheme by posting recommendations on Telegram. Such trading pattern coupled with banking transactions/funding and recommendations on Telegram formed a scheme for manipulation of price and volume in the scrip of DOL, in violation of provisions of PFUTP Regulations.

9.2 Barring Noticees 7, 8 and Satyen Dalal (Noticee 9 in AO) (who had not traded in the scrip during the IP and Noticee 2), all other Noticees collectively 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.

9.3 The trading activities of Noticees in the scrip coupled with messages on Telegram influenced the gullible investors to purchase the shares of DOL, as the number of public shareholders witnessed a huge jump from 1732 to 7536 i.e. an increase by 335% during the quarter 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.

**9.4 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 Noticees 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	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	Wife of Noticee 6.
8	Noticee 10	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

**9.5 Trading by identified entities:** It was observed that during the IP Noticees 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	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	Jalpa Dhanpal Gandhi (Noticee 11)	1,911	0.02%	2,307	0.03%



9	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>

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

- 9.6.1 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.
- 9.6.2 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 100 SURESHOT CALL MEANS SHURESHOT*”.
- 9.6.3 The message on March 04, 2022 read as “*nifty 16890 to 16250.....DARSHAN ORNAMENTS...116 TO 145...MANY MORE TO COME*”
- 9.6.4 As per the screenshots, these messages were exchanged between Noticees 7 and 8 and one account ‘*Trusted Book Online*’(TBO). Also, it was observed during statement recording before Investigating Authority 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.
- 9.6.5 From examination of CDRs of Noticee 8, phone number of Noticee 6 was culled out and the Customer Application Form (CAF) obtained from Vodafone {Telecom Service Provider (“TSP”)} revealed that his full name was Dhanpal Gandhi, who traded in the scrip of DOL during the IP.
- 9.6.6 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

9.6.7 It was observed from the CDRs of Noticees 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 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 observed that Noticee 7 was the link between Noticee 6 and 8.

9.6.8 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 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 TBO.

- 9.6.9 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.
- 9.6.10 It was observed that Noticee 7 had admitted that he might have met Noticee 6 through one 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.
- 9.6.11 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.
- 9.6.12 Further, as per the location analysis through CDRs of Noticees 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.
- 9.6.13 In view of the aforementioned, it was found that Noticees 6 and 7 had played a 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.

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

9.7.1 As per the Price Volume Chart of the scrip on BSE, trading in the shares of DOL underwent a major change, as evident 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(22 trading days)	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 (6 trading days)	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 (20 trading days)	10,88,706	Close of ₹139.4 to ₹78.65

9.7.2 Thus, 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.

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

9.8.1 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.

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



9.9.1 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>42,84966</b>	<b>57,31,257</b>	<b>71,560</b>	<b>0.96%</b>

\* post stock split period

9.9.2 From the above, 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 trade in patch II contributed to synchronised trades, only the trades of Patch I was examined in detail, 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>

9.9.3 From the above, it was observed that the Noticees 1,3,4 ,5,6,10, 11, M/s Vivid Mercantile Limited and 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>



**9.10 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**

9.10.1 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*

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>

9.10.2 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.



9.10.3 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.

9.10.4 It was observed that Noticees 1, 3, 4 and 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

9.10.5 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.

9.10.6 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. Noticees 6, 10 and 11 had acted as sellers to the buy trades of Noticees 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.

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

9.11.1 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.

9.11.2 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.

9.11.3 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.

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

9.12.1 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.

9.12.2 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.

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

9.13.1 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.

9.13.2 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.

9.13.3 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 kept on increasing.

9.13.4 It was observed that by March 2022, 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-para, 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.

9.13.5 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>

#### 9.14 Examination of Bank Statements of the Noticees:

9.14.1 Upon analysis of the bank statements of the Noticees, it was observed 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.

9.14.2 Other than Suken Exports, Noticee 3 was found to have received a large amount of credit from Satyen Dalal (identified as Noticee 9 in the AO, hereinafter referred to as 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>

9.14.3 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
Total	<b>41,50,000</b>

9.14.4 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.

9.14.5 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.

9.14.6 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.

9.14.7 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.*



- 9.14.8 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.
- 9.14.9 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 Noticees 1,3, 4 had never spoken to Noticee 9, on phone in 2021.
- 9.14.10 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.
- 9.14.11 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 funded the purchase of shares of DOL.
- 9.14.12 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.
- 9.14.13 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

9.14.14 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.

9.14.15 Thus, from the aforementioned transactions, it was observed that Noticee 2 was funding the Doshi family (Noticees 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.

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

9.15.1 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.



## 9.16 Examination of trading pattern of identified entities:

9.16.1 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%
Kruti (Noticee 5)	16*	563399	519601	160928	28%	168712	32%
Dhanpal (Noticee 6)	12*	31297	53738	7352	23.5%	10271	19%
Jalpa (Noticee 11)	7*	8067	7543	1911	23.7%	2307	30.6%
Darshan (Noticee 10)	27*	347914	343288	53338	15.3%	53838	15.7%

\* Including trades in the scrip of DOL

9.16.2 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.

## 9.17 Observations/ inferences from the statements of Noticees

9.17.1 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.

9.17.2 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 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.

9.17.3 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.

9.17.4 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.

9.17.5 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 approximately 2 percent of the total share capital of DOL.

9.17.6 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. 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. 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.

9.17.7 In view of the foregoing, it was alleged that the price and volume of the scrip of DOL was manipulated, wherein Noticee 1 had started buying the shares of DOL in his own account and accounts of Noticees 3 and 4. 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.



9.17.8 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 influenced the gullible investors to purchase the shares of DOL, 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, Noticees 1,3,4,5,6,10 and 11 together made a profit of Rs 2,51,08,009.40.

9.17.9 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.

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

9.18.1 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;

9.18.2 Noticees 3-5 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.

**10. Submissions of the Noticees 1, 3, 4, and 2 & 5**

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

*10.1 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.*

*10.2 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.*



10.3As 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.

10.4W.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.

10.5As 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.

10.6That 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.

10.7That 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.

10.8As 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.

10.9Similarly, 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 coincidence and thus a rare single incident cannot attract the allegation of contribution to market NHP.*

*10.10 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.*

*10.11 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.*

*10.12 Similarly, as regards para 15.6.1, Noticee 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.*

*10.13 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.*

*10.14 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.*

*10.15 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.*

*10.16 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.*

*10.17 That only the tainted / objectionable trades should be considered while arriving at unlawful gains. In the SCN, unlawful gains are calculated only during the period*



*when telegram messages were circulated at which time the objectionable trades ought to have taken place. The AR of the Noticees 1,3 and 4 requested to consider the same.*

*10.18 The whole scheme was based on the telegram messages and in the absence of any role of the Noticee in sending telegram messages or any connection with the senders, the Noticees cannot be made liable for any such scheme.*

*10.19 That SCN is not in tune with the IR, and is wrongly treating profits as unlawful gains however there is no mention of unlawful gain in the entire IR, and the AO is duty bound to restrict its scope to the IR in terms of Reg 9 and 10 of PFUTP Regulations.*

*10.20 That SEBI has wrongly calculated the profits from January 2021 till the last date of IP based on the following: (i) The IP is from 1st September 2021 to June 2022 and hence the buy and sell transactions carried out prior to investigation period i.e. prior to 01.09.2021 ought not to have been considered for calculating the profit. They relied upon the Hon'ble SAT's order dated 02.02.2023 in the matter of SRSR Holding Pvt. Ltd. Vs. SEBI. Further, for the shares purchased prior to ip and sold during investigation, the actual profit cannot be calculated based on buy and sell price of the shares as during the start of the IP i.e. on 01.09.2021 the price of the scrip had already risen upto Rs. 64.*

*10.21 That SEBI has not considered the fact that when a constituent places an order on broker, no one considers LTP as a benchmark. Orders are placed based on and considering 5 best quotes available on the trading screen /system as market conditions are dynamic. Every trade results either into positive LTP, negative LTP or zero LTP. LTP trade always take place between permissible circuit limits. Therefore, on an overall basis LTP is less relevant for marketmen. There is no requirement that order has to be placed at LTP, hence order can be placed at +ve LTP. There is no embargo on placing an order at +ve LTP. Positive LTP may or may not result into NHP. Hence, LTP contributes to the price rise defies logic.*

*10.22 Manipulation in price cannot be related solely to positive +ve LTP. +ve LTP can be genuine from the perspective of market participants some of whom can be desperate buyers and desperate sellers. Positive LTP and actual price rise have no*



*co-relation as such. Most of the times it is the case that actual price rise is may be about few rupees whereas positive LTP is in the multiples of actual price rise and that price rise is a result of host of factors.*

*10.23 That SEBI has wrongly calculated the profits from January 2021 till the last date of IP. The Noticees submit that the total price rise is Rs. 83.50. The alleged contribution to the LTP of the Noticees (including the so-called group entities ie. the 3 Noticees herein and Kruti Kevin Kapadia) is Rs. 2792.80 which is 54.39% of the market total positive LTP. The Noticees thus cannot be charged for the entire price rise of Rs. 83.50, and that LTP per se does not lead to price rise. Further without collusion or nexus with the counterparty, LTP cannot be treated as objectionable.*

*10.24 That their total investments in the scrip of DOL is approx. Rs. 10.5 crore. A mere amount of fund transfers of Rs. 34 lakhs cannot be said that Aakash Doshi and family are heavily funded by Group entities to carry out trades in the scrip of DOL. These fund transfers were in a regular course of business and they were hand loans and in the past also there were money transactions on a need basis. They were maintaining the accounts on an open, mutual and current basis. The ledger statements to that effect are already submitted to SEBI. Thus, the above alleged fund transfers of Rs. 34 lakhs cannot be said to have played any role in carrying out the transactions in the scrip of Darshan Orna Ltd is vague and without any basis.*

*10.25 That NHP in itself cannot be considered as manipulative without any corroborative evidence. There is no base to levy charge of NHP, LTP and thus NHP, LTP charges levied are false and devoid of merits. In any event, the Noticee, Aakash Doshi's trades resulted in zero NHP contribution among the alleged group entities and zero NHP contribution in buy orders in first trades with non-group entities. The total alleged NHP contribution of Rs. 14.50 with non-group entities came from a traded quantity of only 1,234 shares, which is negligible compared to his total buy quantity of 368,662 shares. The total positive LTP from his first trades was from a mere 295 shares out of 368,662 shares purchased.*

*10.26 Dilip Doshi's trades resulted in zero NHP contribution among the alleged group entities and Rs. 2.40 contribution in buy orders in first trades with non-group entities. The total alleged NHP contribution of Rs. 5.95 with non-group entities came*



*from a traded quantity of only 410 shares, which is negligible compared to his total buy quantity of 398484 shares. The total positive LTP from his first trades was from a mere 386 shares out of 398484 shares purchased.*

*10.27 Richi Doshi's trades resulted in zero NHP contribution in buy orders in first trades with non-group entities. The total alleged NHP contribution of Rs. 3.65 with group entities came from a traded quantity of 1 share, which is negligible compared to his total buy quantity of 1,46,291 shares. The total positive LTP from his first trades was from a mere 185 shares out of 1,46,291 shares purchased.*

*10.28 Out of 4,919 trades executed by Aakash Doshi, 2,797 trades (with a traded quantity of 175,213 shares) resulted in zero LTP. Additionally, 1,327 trades (with a traded quantity of 102,911 shares) resulted in negative LTP. This diverse outcome of trades (positive, negative, and zero LTP) contradicts any pattern indicative of price manipulation. Furthermore, the Noticee's trades were executed with a large number of diverse counterparties: 536 different entities as a buyer and 634 different entities as a seller.*

*10.29 Out of the total of 4502 trades executed by Dilip Doshi, 2207 trades with traded quantity of 223519 shares resulted into zero LTP, 1744 trades with traded quantity of 102784 shares resulted into Negative LTP. This diverse outcome of trades (positive, negative, and zero LTP) contradicts any pattern indicative of price manipulation. Further, on analyzing the trade logs, it is evident that the Noticee's trades as a buyer has been executed with 1547 different entities and as a seller with 3286 different entities and not only with the purported group entities.*

*10.30 Out of the total 1,446 trades executed by Richi Doshi, 464 trades (with a traded quantity of 65,287 shares) resulted in zero LTP. Additionally, 642 trades (with a traded quantity of 43,975 shares) resulted in negative LTP. This diverse outcome of trades (positive, negative, and zero LTP) contradicts any pattern indicative of price manipulation. Furthermore, the Noticee's trades were executed with a large number of diverse counterparties: 385 different entities as a buyer and 512 different entities as a seller.*

*10.31 That ledger statement of Noticee 9 in his books shows that the Noticees 1, 3 and 4 had advanced a sum of Rs. 10 lakhs to Noticee 9 initially on a running account basis*



which was shown as credit balance in the books of Noticee 3 as on 1st April 2021. The Noticees state that later when the Noticees were in need of funds Noticee 9 had lent them the required funds which were repaid in instalments and infact Noticee 3 has to receive Rs. 9,50,000/- from Satyen Dalal as on 31st March 2023. Hence the inference drawn by SEBI that the Noticees were funded by Noticee 9 and that there was no exchange of funds prior to the IP is totally incorrect and erroneous and the following findings in the earlier order with regard to fund transfers are misconceived

### **Reply of Noticee 1**

- 10.32 That the trading in the scrip of DOL was a part of his trading activities in the stock market.
- 10.33 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.
- 10.34 That the purported transactions were for bonafide reasons and not towards price or volume creation.
- 10.35 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.
- 10.36 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.
- 10.37 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.
- 10.38 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.
- 10.39 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.



- 10.40 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.
- 10.41 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.
- 10.42 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.
- 10.43 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.
- 10.44 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.
- 10.45 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.
- 10.46 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.
- 10.47 He also denied having funded Noticee 6 directly / indirectly as alleged.

### **Reply of Noticee 3**

- 10.48 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.
- 10.49 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.

10.50 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**

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

10.52 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.

10.53 As 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.

10.54 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, he submitted that there had been no role of him with respect to SMS even mentioned in the SCN.

10.55 As 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.

10.56 He 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.

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



### **Submissions of Noticee 2 and 5**

- 10.58 *That the SCN suffers from delay and latches, as the impugned transactions pertain to the period 01.09.2021 to 30.06.2022, whereas the Interim order cum 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.*
- 10.59 *That the only allegation against the Noticee 2 is that he was the one carrying out trading activity in the account of his wife, Noticee 5, and that in the absence of any trading activity by him, the allegations of price manipulation, volume creation, synchronized trading or deceptive device fail at the threshold.*
- 10.60 *The Noticee does not operate or control any Telegram channel, WhatsApp group or online platform connected with recommendations in the scrip of DOL, and that he had not traded in the scrip of DOL in his own trading account, a fact not disputed in the SCN.*
- 10.61 *That paragraph 10.2 of the SCN contains a table setting out the alleged connections amongst the suspected noticees/entities. However, it is pertinent to note that his name does not appear anywhere in the said table. Therefore, the SCN itself does not establish or even allege any connection with the entities listed therein, and in the absence of his name in the table, no linkage or association between him and the alleged entities can be inferred.*
- 10.62 *The trades executed by them were a minuscule part of the total market volume and could not have, by any stretch of imagination, created a significant impact on the scrip's price or created a misleading impression of trading.*
- 10.63 *That out of the 1,60,928 shares purchased during the IP, 95,509 shares (59.3%) had zero LTP impact, 29,755 shares (18.5%) resulted in negative LTP and 35,664 shares (22.2%) resulted in a positive LTP contribution.*
- 10.64 *As per the SCN, the NHP contribution from the account is negligible, only 13 shares across 4 trades with a contribution of Rs. 6.40. The group NHP contribution was a mere Rs. 2.00 from a single trade (1 share from Dilip Doshi on 22.09.2021 at Rs. 64.90), and the non-group NHP contribution was zero. Against a total price rise of Rs. 50/- in DOL, an NHP contribution of Rs. 6.40 from 13 shares is miniscule and cannot be said to have caused or sustained any price manipulation.*



- 10.65 Further as regard First trades LTP, out of 1,60,928 shares purchased during the IP, only 300 shares (0.19%) were involved in first trades. The first trade among the group was limited to a single trade, which was 1 share from Aakash Doshi on 12.01.2022 at Rs. 94.00, contributing Rs. 4.00 to the group positive LTP. This is an isolated and immaterial transaction that cannot be considered as systematic manipulation.
- 10.66 It is a settled principle that to allege manipulation, there should be a nexus between the entities i.e. the buyers and the sellers. The Noticee has in fact suffered loss, instead of gaining any profit.
- 10.67 That he had no separate, personal financial benefit from the trades placed in the account of Noticee 5. The account belonged to his wife; profits or losses accrued to her, and that the penal liability under Section 15HA requires the existence of an 'unlawful gain.' There is no unlawful gain, the account suffered a net loss of Rs. 18,83,309/- over the entire trading period and Rs. 16,33,316/- during the IP. The Noticee personally gained nothing from these transactions
- 10.68 SEBI has failed to bring on record any communication, instruction, financial inducement, or pre-arranged understanding linking the Noticee 2 to Aakash Doshi, Dilip Doshi, Richi Doshi, or any alleged scheme.
- 10.69 The alleged connection between him and Noticee 6 arises from transfers from the bank account of Kapadia Corporation (of which Smt. Kruti Kevin Kapadia is a joint holder) to Dilip Doshi. There existed a running account and mutual loan arrangement between the Kapadia family and Dilip Doshi on an ongoing, open basis. Both parties routinely advanced and repaid loans to each other. This is a legitimate commercial arrangement entirely disconnected from any trading activity. The alleged transfer to Dhanpal Gandhi (Rs. 4,00,000/-) was in fact three transactions (Rs. 2,00,000/-, Rs. 1,15,000/- and Rs. 99,000/-) that are debit entries from Dhanpal Gandhi to Kapadia Corporation i.e., the direction of fund flow is the reverse of what is alleged in the SCN. Further, all these transactions occurred after the IP ended on 30.06.2022 and are outside the scope of the investigation.
- 10.70 That the transfer to Dilip Doshi was made from the bank account of Kapadia Corporation. There existed a running account on an open, mutual, and current basis



*between the Noticee and Dilip Doshi, and both parties routinely borrowed and lent monies to each other. With regard to the fund transfer to Dhanpal Gandhi, the Noticee states that the purported transfer was executed well after the conclusion of the investigation period and, hence, qua transactions, there are no connections established between the parties*

*10.71 He had made no gains, caused no loss to the investors, and that no disproportionate gain or unfair advantage had been received and had not caused any loss to an investor or group of investors.*

*10.72 That the penalty of ₹10 lacs as imposed in the earlier Adjudication Order i.e. set aside by the Hon'ble Tribunal, is grossly disproportionate, and that the penalty imposed in the earlier order was undoubtedly excessive and was based on erroneous and incorrect figures of alleged profit. In fact, his wife had suffered substantial losses, which clearly demonstrates that there was no unlawful gain or undue advantage derived from the alleged transactions. Therefore, the basis on which the penalty was quantified itself is flawed, rendering the imposition of such a high penalty unjustified and disproportionate.*

*10.73 That there is no connection established between the Noticee 5 and the Company or its promoters, and the promoters themselves did not consider the price rise unrealistic.*

*10.74 That there is no allegation or material to support any direct finding of manipulation against Noticee 2. It is, however, not disputed that Noticee 2 had placed orders in the scrip of Darshan Orna Limited in the account of Noticee 5.*

*10.75 That Noticee 5 had financed her purchase positions in the scrip of Darshan Orna Limited either from her own funds or through financial assistance obtained from her family, and that no funds utilized for trading in the said scrip were sourced from outside the family of Noticee 5.*

*10.76 Though not admitted that they were aware of or were part of any alleged manipulative scheme, they submitted that in such a scenario, Noticee 5 would not have incurred a substantial loss of Rs. 18,83,309/- while trading in the scrip of Darshan Orna Limited. Thus, the fact that Noticee 5 had suffered such significant*



*losses clearly militates against any inference of involvement in, or knowledge of, any alleged manipulative scheme.*

11. 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**

12. 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?

**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?

13. Before I proceed to deal with the issues on merits, I would like to first address the preliminary issue raised by the Noticees that the 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 calls/ messages/ chats exchanged between the entities, 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.

14. 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.”

15. I note that Noticees have failed to explain how the delay had prejudiced their interest, hence their contention with respect to delay is not tenable.

16. Another preliminary issue raised by the ARs of the Noticees was with respect to cross-examination of certain entities. In this regard, I note that the ARs were given an opportunity to submit reply on merits in the matter. Post their submission, it was observed that the cross-examination was not warranted, as the statements qua them by the entities, whose cross-examination was being sought for are not being relied upon in the matter, and hence the request of cross-examination was denied and conveyed to the Noticees. 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?**

**17. Findings with respect to Noticee 1, 2, 3, 4, and 5**

17.1 I note that it has already been established in the AO, that there was a recommendation by Noticees 7 and 8 to trade in the scrip of Darshan Orna, and that Noticee 7 had acted as a conduit between Noticees 6 and 8, and all three of them were connected with each other, wherein Noticees 7 and 8, were involved in message circulation on Telegram channels. I note that it is not prudent 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 was admitted by Noticee 8. Further, it was also established that based on the information received from Noticees 7 and 8, Noticee 6 had traded in the scrip of DOL during the IP.

17.2 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 on record.

#### **Statement of Noticees 2 and 5**

17.3 Noticee 2 had submitted that he was trading in stock market in the account of Noticee 5 as admittedly authorized by her to carry out 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.

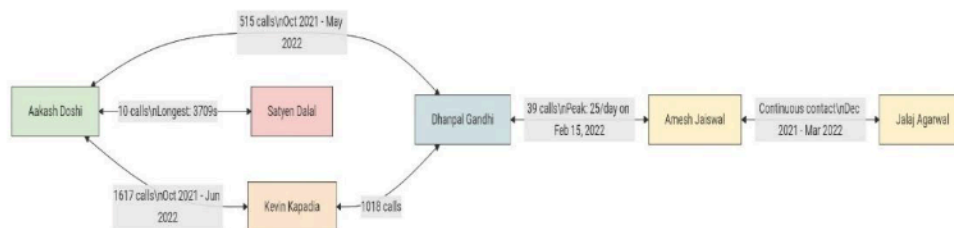
#### **Statements of Noticees 1, 3 and 4**

17.4 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.



17.5 Noticee 3 submitted during the investigation that he is a diamond trader and 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.

17.6 From the above submission of Noticees 1, 2, 3, 4 and 5, 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 1,617 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 1,018 times. The entire connection between Noticees 1, 2, 4, 6, 7, 8, and 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, I find it pertinent to move ahead and delve into the findings with respect to the trades and fund flow between the Noticees.

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

17.7 With respect to the submission of Noticees 1, 3 and 4 as given at para 10 above 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 1,804.30 to net LTP and Rs 2,792.80 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>-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>-769561</b>	<b>10634</b>	<b>2068240</b>	<b>25811</b>	<b>100.00%</b>

17.8 With respect to LTP trades, I note that Noticee 1's counterparty for the 6 trades executed by him on September 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, Noticees 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.

- 17.9 Similarly, Noticee 3 had executed 43 LTP buy trades in the year 2021, which were executed with various Noticees, viz, Noticees 1, 4, 5, 6 10 and 11 and other entities. Further, Noticee 3 had executed 28 LTP buy trades in the month of February 2022, with the maximum number of 23 trades on February 24, 2022, which were executed with various entities including Noticee 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.
- 17.10 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.
- 17.11 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.



17.12 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 connected entities does not render the trades as genuine, even if the orders were placed after the counterparty orders. Further, I note from the material available on record that Noticee 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.

17.13 As regards reliance placed by Noticees 1, 3 and 4 on the Hon'ble SAT judgement dated November 24, 2024 in the matter of ***Rajni Dusad Vs SEBI*** (Appeal No. 651 of 2023), I note that *Rajani Dusad* turned on the absence of evidence that the buyer was connected with the counterparties whose orders were placed above LTP; and SAT had held that, in such circumstances, merely buying from anonymous sellers who already placed orders above LTP did not establish collusive price manipulation, though placing buy orders above LTP can itself be objectionable. However, in the present case, the SCN documents numerous trades where the Doshi family accounts traded among themselves or with other connected entities (Gandhi family, Noticee 5, Vivid Mercantile), thereby satisfying the nexus requirement that was missing in *Rajani Dusad case*. Thus, submission of Noticees 1,3 and 4 is devoid of merits.



17.14 As regards submission of Noticees 1, 3 and 4 that they had executed certain trades that resulted in Zero LTP, I note that when massive volumes of zero LTP trades are executed, the same artificially inflates the volume of the scrip, which gives an impression of high "liquidity" to gullible investors, which is fraudulent in terms of PFUTP Regulations. Thus, I note that the submission of Noticees 1, 3 and 4 is bereft of any merits.

**New High Price (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>

17.15 Before dealing with 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 constitutes 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 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**

17.16 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. The details of 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>

17.17 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.

17.18 Thus, the above details show that Noticee 1 had executed trades in his own account and the accounts of Noticee 3 and Noticee 4, and they had contributed to LTP, NHP and had executed first trades in the scrip of DOL. 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 anonymous trading platform, matching of trades with the known entities, is nothing but a prior meeting of minds.

17.19 I note that direct evidence is not forthcoming in the present matter, however, the trading behaviour of the Noticees 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."*

17.20 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."*

17.21 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."*

17.22 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.*

17.23 In view of the above, I note that the trades undertaken by the Noticees, inter alia, 1,3,4 and 5 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. Thus, submission of Noticees 1-5 in para 10 above is berefit of merits.

17.24 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 gain/profit does not validate their trades.

17.25 With respect to submission of Noticees 2 and 5, 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.

17.26 In light of the aforesaid stated facts, I find no merit in the contentions of the Noticees 2 and 5 that the trades were of miniscule quantity and had little or no impact.

### Findings with respect to fund flow movement

17.27 I note that the following fund movement between connected entities and the profits made by them in the entire scheme:

Fund Flow Movement

Source	Destination	Amount Rs.	Purpose	Connection
Noticee 9	Noticee 3	46,00,000	Funded DOL purchases	Noticee 9, who was MD of DOL's merchant banker (FOCL) and was also merchant banker to SME IPO of DOL
Kapadia Corporation	Noticee 3	32,00,000	Trading activities	Noticee 5's firm with her father-in-law
Kapadia Corporation	Noticee 6	4,00,000	Trading activities	Noticee 5's firm with her father-in-law
Noticee 3	Noticee 6	2,00,000	Trading activities	Noticee 1's father to Noticee 6
Malav Shah	Noticee 6	4,50,000 (net)	Fund layering	Intermediary between Noticees 3 and 6



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

<b>Name of entity</b>	<b>PAN</b>	<b>Profit earned ( in ₹)</b>
Dilip Ramanlal Doshi	AACPD8647A	1,29,09,550
Aakash Doshi	AILPD8283D	82,68,418
Richi Doshi	AILPD8286G	55,27,913
Kruti Kevin Kapadia	BCRPK1909C	-18,83,309

17.28 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 transferred to broker for trading are given below. Thus, submission of Noticee 3 is bereft of merits.

<b>Date of credit in a/c of Dilip</b>	<b>Amount ( in ₹)</b>	<b>Amount transferred to Akash/ Richi ( in ₹)</b>	<b>Date of transfer</b>	<b>Amount transferred to broker ( in ₹)</b>
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



17.29 With respect to calls between Noticee 9 and Noticee 1 and submission of Noticee 3 that the fund transfers between him and Noticee 9 was a result of the fact that Noticee 3 had advanced some amount on a running account relationship between them, and further submission of Noticee 3 regarding the observation at para 17.4 of the SCN, "*prior to this period, there was no exchange of funds between these entities*", and submission of Noticee 9 on record 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 in following paras, 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.

17.30 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 Noticees 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 Noticees 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. I note from the Axis bank account statement provided by AR of



the Noticee 3, post hearing, that from July 27, 2021 to March 30, 2022, Noticee 3 had received approximately Rs 55 lacs from Noticee 9 and had in turn paid approx. Rs 41.5 lacs to him. Thus, the funding methodology clearly indicates that Noticee 9 funded Noticee 3 and, as brought out at para 17.28 above, such funds were transferred to the stock broker. Therefore, in view of the above, I find that the submission of Noticees 1,3 and 4 is untenable.

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		

17.31 As regards submission of Noticee 2 that he was the one carrying out trading activity in the account of his wife, and that in the absence of any trading activity by him, the allegations of price manipulation, volume creation, synchronized trading or deceptive device fail at the threshold, I note that neither Noticee 6 nor Noticees 2 and 5 have given the reason for having debited and credited the money respectively to Kapadia Corporation from Noticee 6, wherein Noticee 5 herself was one of the signatories to the account, along with her father-in-law, and as already established above trades were executed in her account by Noticee 2 in the scrip of DOL. In this regard, the only reason as submitted by Noticee 2 that transfer was executed well after the conclusion of the IP and, there were no connections established between the parties, I note that this submission appears to be an afterthought as both the Noticee 2 and 5 have also failed to bring on



record any documentary evidence, viz bank account statements, any agreement executed between the two families for the said transaction.

- 17.32 The absence of the evidence clearly shows that it is an afterthought of Noticee 2 to cover up the funds provided for trading in the scrip to Noticee 6. Further, I note that Noticee 6 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. Thus, execution of trades by Noticee 6 and his family members and funding by Noticee 2 through Kapadia corporation cannot be viewed in isolation, as all of them were connected to each other, which has already been established in the pre-paras. Therefore, submission of Noticee 2 is bereft of merits.
- 17.33 With respect to the submission of Noticees 2 and 5 that the banking transactions with Noticee 6 had occurred after the IP ended on 30.06.2022, I note that mere ending of IP on a particular date, and subsequent execution of banking transactions after that does not prevent the transactions from scrutiny, when the allegation is with respect to funding of trades leading to price and volume manipulations. Further, I note that anyone involved in manipulative trade practices would not return the money during the IP, rather would try to delay the payment, which could be through bank account transfer or cash. Thus, submission of Noticees 2 and 5 is bereft of merits.
- 17.34 I note from the ICICI bank account statement of Noticee 6 available on record, that the transactions dated 01/09/2022, 1/09/2022 and 21/01/2023, are debit transactions and Noticee 6 had not received money as alleged in para 17.13 of the SCN, rather transactions of 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.
- 17.35 Additionally, upon perusal of the bank account statement of Noticee 1, I note that there was a credit of Rs 19,000 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 Noticee 1 and 2 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 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.

- 17.36 With respect to the calls between Noticees 6, 1 and 4, I note that it was already established in the order dated July 30, 2025, that Noticee 6 was indirectly funded by Noticee 3 to trade in the shares of DOL.
- 17.37 With respect to the fund transfers with Kapadia Corporation, submission of Noticee 3 that he had family relations with the Kapadia family and similar submission of Noticees 2 and 5 that there existed a running account and mutual loan arrangement between the Kapadia family and Noticee 3 on an ongoing, open basis, wherein both parties routinely advanced and repaid loans to each other, I note that neither Noticee 3 nor Noticees 2 and 5 had provided any documentary evidence, viz, any agreement executed between them, or bank account statement duly showing the debit and credit of the amount being extended, and subsequent repayment.
- 17.38 Further, a person of normal prudence extending amount as loan in lacs would definitely maintain records in the forms of excerpts of messages or whatsapp chats to concrete the claim of having extended loan and steps taken to get the amount recovered. However, I note that barring bank account statement of Noticee 3, he failed to provided any evidence in support of the claim of having extended/given loans to Noticee 2 or 5 or to Kapadia Corporation in the past. From the said account statement, I note



that Noticee 3 and Kapadia Corporation had credited amounts into the accounts of each other, wherein the first transaction was in April 2021 and last transaction was in January 2023. No transactions prior or after the said period has been provided. Thus, contradicting the submission of Noticee 3 of having loan relationship from past. Thus, submission of Noticee 3 is bereft of merits.

17.39 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.”*

17.40 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.”*

17.41 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....”*

17.42 Thus, in view of the above, I note that Noticees 1 and 2 had indulged in a scheme 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 Noticees 3 and 4 had aided and abetted Noticee 1 while Noticee 5 had aided and abetted Noticee 2, by giving access to their trading accounts for manipulation in the price and volume of the scrip of DOL.

17.43 With respect to submission of Noticee 2 that he did not operate or control any Telegram channel, WhatsApp group or online platform connected with recommendations in the scrip of DOL, and that he had not traded in the scrip of DOL in his own trading account, a fact not disputed in the SCN, I note that it has already been established in the pre-paras that Noticee 2



was instrumental in operating the account of Noticee 5, and was also operating the bank account of Kapadia Corporation, which had played a crucial role in funding the fraudulent and manipulative trades. Thus, submission of Noticee 2 is bereft of merits.

17.44 As regards the submission of Noticees 2 and 5 that Noticee 5 had in fact suffered loss, instead of gaining any profit, and he had no separate, personal financial benefit from the trades placed in the account of Noticee 5, and his further submission that the penal liability under Section 15HA requires the existence of wrongful gain, and that there is no wrongful gain, and Noticee 5 suffered a net loss of Rs. 18,83,309/- over the entire trading period and Rs. 16,33,316/- during the IP, and similar submission of Noticees 1,3 and 4 that IR does not mention anything about wrongful gain, and their reliance on SEBI order dated September 08, 2023 in the matter of Gokul Solutions Limited, wherein they submitted that only matched trades were considered as manipulative and towards calculation of unlawful gains, I note that the role of Noticees in the entire scheme has been conspicuously discussed at length in the pre-paras, wherein, it has been established that their acts were not at all bonafide, and they abused the market to enhance their scheme. As regards the reliance placed by Noticees 1,3 and 4 in the matter of Gokul Solutions Limited, I note that it suffers from a fatal legal flaw of false equivalence. Gokul Solutions matter involves specific insular modus operandi that is fundamentally distinct from the present scheme. In Gokul Solutions matter, price manipulation was achieved through a closed-loop system of synchronized matched trades between connected buyers and sellers, the unlawful gains were naturally, legally, and logically calculated based strictly on the profits derived from those specific, manipulative matched trades, however, the manipulative scheme in the present matter utilizes a completely different mechanism of financial fraud. I note that in the instant case, it was not merely an insular, closed-loop matched trading scheme, but rather an "Information Asymmetry" or "Pump-and-Dump"



operation leveraging the massive reach of social media platforms, involving distinct phases:

**The Accumulation Phase:** Noticees 1, 3 and 4 systematically accumulated massive volumes of the highly illiquid DOL scrip prior to any artificial price inflation, and this accumulation required capital, which was actively funded by interconnected entities, notably Noticee 9.

**The Pumping Phase:** The price and volume were subsequently pumped through the coordinated circulation of highly bullish, inducing messages on Telegram channels managed by Noticees 7 and 8, which created a sudden, artificial surge of retail demand from unsuspecting public investors who believed the recommendations were based on fundamental analysis.

**The Dumping Phase:** Seizing upon the artificially created liquidity and the inflated price, the Noticees 1, 3, 4 and 5 offloaded their previously accumulated shares to these unsuspecting retail investors.

- 17.45 I note that when a manipulative scheme is designed specifically to induce innocent third parties to buy securities at artificially inflated prices, the wrongful gain/ loss averted is categorically not restricted to trades matched between group members. Thus, submission of the Noticees that profits are only wrongful if the counterparty to the trade are proven a part of the same group defies both logic and the foundational restorative principles of the PFUTP Regulations.
- 17.46 Further, I note that even the loss-making trades and, gains made from coordinated efforts can also be fraudulent, if so established, as has been done in pre- paras. Therefore, their submission is nothing but an afterthought to escape the violations committed by them, and is devoid of any merits. Further, I note that the SCN specifically does not mention the wrongful gain in the matter. However, the loss/gain as mentioned in the table above, shows that it was earned by fraudulent and manipulative trades as part of the scheme.
- 17.47 With respect to the submission of the Noticees 1, 3 and 4 that SEBI has wrongly calculated the profits from January 2021 till the last date of IP, as



the IP is from September 01, 2021 to June 2022 and hence the buy and sell transactions carried out prior to IP i.e. prior to 01.09.2021 ought not to have been considered for calculating the profit and reliance placed by them on the Hon'ble SAT order dated February 02, 2023 in the matter of ***SPSR Holdings Private Limited Vs SEBI*** (Appeal No 1 of 2019), I note that, it has already been mentioned in the pre-paras that Doshi family had started acquiring the shares of DOL before the IP, when the trading in the scrip was thin, and they had exited their holding, completely by the end of May 2022. Further, I note that the aforementioned argument of the Noticees is fundamentally flawed as it confuses an investigative parameter with the substantive, continuous timeline of a financial fraud. The PFUTP Regulations do not grant amnesty to fraudulent preparatory acts simply because they occurred days or weeks before the designated start date of an IP. I note that an Investigation Period is a scoping tool, which does not act as a statute of limitations that immunizes the preparatory steps of a unified financial fraud. Because the pre-IP accumulation was a calculated, preparatory act designed specifically to capitalize on the subsequent price manipulation, the entirety of the profit realized from selling those shares constitutes illicit enrichment. Thus, I note that the jurisprudence demands the penalization of all profits causally linked to a fraudulent scheme, regardless of date demarcations. Therefore, submission of Noticees 1, 3 and 4 is bereft of merits.

17.48 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.

17.49 The scheme's sophistication was evident in its multi-pronged approach, whereby the Noticees 1 to 5, alongwith Noticees 6 to 11, collectively contributed Rs 1,804.30 to net 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.

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

18.1 Noticees 1 and 2 by indulging in a well orchestrated scheme 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.

18.2 Noticees 3-5 by aiding and abetting Noticees 1 & 2 by giving access of their accounts for trading 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?**

19. The provision of Section 15HA of the SEBI Act reads 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.*



20. 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?**

21. 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.”*

22. 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, violations by Noticees are not repetitive in nature. However, 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 preceding paragraphs that the Noticees were involved in the manipulation of the scrip and had violated 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**

23. After taking into consideration the facts and circumstances of the case and timevalue of wrongful gains 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.

<b>Noticee No. / Name</b>	<b>Penalty Amount (In Rupees)</b>	<b>Total Penalty (In Rupees)</b>
Noticee 1: Aakash Doshi	90,00,000/- (Ninety Lacs Only)	2,90,00,000 (Two Crores Ninety Lacs), to be paid by Noticee 1, 3 and 4, jointly and severally
Noticee 3: Dilip Doshi	1,40,00,000/- (One Crore and Forty Lacs Only)	
Noticee 4: Richi Dilip Doshi	60,00,000/- (Sixty Lacs Only)	
Noticee 2: Kevin Kapadia	10,00,000/- (Ten Lacs Only)	20,00,000 (Twenty Lacs) to be paid by Noticee 2 and 5, jointly and severally
Noticee 5: Kruti Kevin Kapadia	10,00,000/-/(Ten Lacs Only)	

In my view the penalty mentioned above is commensurate with the violations committed by the Noticees.

24. 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)

25. 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.

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

**Amit**  
**Kapoor** Digitally signed  
by Amit Kapoor  
Date:  
2026.05.15  
19:24:15 +05'30'

**Place: Mumbai**

**Date: May 15, 2026**

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