WTM/GM/IVD/ID6/9588/2020-21

SECURITIES AND EXCHANGE BOARD OF INDIA

FINAL ORDER

Under sections 11(1), 11(4) and 11B of the Securities and Exchange Board of India Act, 1992 in the matter of Mishka Finance and Trading Limited (formerly known as Pyramid Trading and Finance Limited)

In respect of:

Noticee No.	Noticee	PAN No.
1	Mishka Finance and Trading Limited	AAACP2548R
2	Ankit Garodia	ARRPG4567A
3	Jugalkishore Pralhadrai Sharma	ABLPS6840A
4	Amit Kumar Vasishtha	AKNPV5025B
5	Rameshwar Manohar Wagh	ABLPW8901G
6	Anand Gupta	AFNPG7938K
7	Vijay Kumar Jain	AAAPJ3197K
8	Anil Satyanarayan Roongta	ABBPR3992G
9	Sudha Anil Roongta	AAQPR4466F
10	Pawan Darak	AAAPD9261A

11	Megha Ravi Wattamwar	AAAPW9319A
12	A. K. Roongta Huf	AABHA9528A
13	Vijay Kumar Soni Huf	AAGHV5661L
14	Ritu S Saraf	AAHPB4095P
15	Kanta Balkishan Jaju	AAJPJ4245M
16	Ravi B Wattamwar Huf	AALHR3103E
17	Disposed by way of Settlement order Dated September 24, 2020	
18	Sunita Toshniwal	AANPT7118D
19	Sanjay Ambadas Joshi	ABGPJ9472Q
20	Vinita Sanjay Joshi	ABGPJ9502P
21	Kiran Narayanprasad Toshniwal	ABHPT5940L
22	Tejal Piyush Mehta	ABQPM1056P
23	Sainik Kumar Jain	ABYPJ9823B
24	Disposed by way of Settlement order Dated September 24, 2020	
25	-do-	
26	-do-	
27	Sorabh Kumar Poddar	AELPP0173Q
28	Rupesh Poddar	AELPP0183N

29	Disposed by way of Settlement order Dated September 24, 2020	
30	-do-	
31	Hemraj Raneja	AFOPR0263B
32	Tushar Ashok Thakur	AFZPT5149K
33	Sunayana Jain	AGBPJ8881F
34	Disposed by way of Settlement order Dated September 24, 2020	
35	Kiritkumar Ramniklal Mehta	AHXPM6863F
36	Anand Raneja	AIUPR9150N
37	Mansi Manoj Rane	AJFPR5740L
38	Vikram Navinchanra Shah	AKCPS7427B
39	Parul Poddar	AKKPP3508Q
40	Ketan Jumakhlal Mehta	AMHPM0156A
41	Usha Rakeshkumar Dixit	AMYPD3165F
42	Sandeep V Saraf	ANQPS5905F
43	Neha Narayan Toshniwal	ANZPT6807C
44	Manish Kumar Bhati	APPPB5638F
45	Savita Soni	ASZPS1277J
46	Priyanka Pramod Mhapsekar	ATRPM4285D

47	Disposed by way of Settlement order Dated September 24, 2020	
48	-do-	
49	Tejas Gala	AZAPG1972C
50	Mukesh Kumar	BAPPK2160M
51	Kavita Raneja	BNNPK9250R
52	Ashish Ishwarlal Shah	BPXPS8075L
53	Omprakash Sharma	BQFPS5917N
54	Disposed by way of Settlement order Dated September 24, 2020	
55	-do-	
56	-do-	
57	Asifatanveer M Shaikh	CNAPS8962G
58	Chandravati M Shah	AAKPS3275M
59	Manharlal N Shah	AAKPS3276J
60	Nikunj S Agarwal	AYOPA2382B

***** In the present proceedings the number of Noticees involved, after the disposal of Settlement Applications is 48. For the sake of convenience, the number assigned to each of the Noticee in the Show-Cause Notice dated December 12, 2017 has been retained in the present Order.

Background –

1. Pursuant to detection of a huge rise in the traded volume and price of the scrip of Mishka Finance and Trading Limited ("**Mishka**"/ the "**Company**"), formerly known as Pyramid Trading and Finance Limited, on the Bombay Stock Exchange Limited ("**BSE**"), SEBI conducted an investigation to ascertain the violation of the provisions of the Securities and Exchange Board of India Act, 1992 (the "**SEBI Act**") and SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (the "**PFUTP Regulations**") in the scrip for the period, February 14, 2013 to December 31, 2014 (the "**Investigation Period**"). The price of the shares of Mishka, moved from Rs.5.50 on February 14, 2013 to Rs.327.25 on January 15, 2014. Further to the above, the share of Mishka was split, from one share of face value Rs.10 to 10 shares of face value Rs.1 each on January 16, 2014. Thereafter, the price of the scrip touched a high of Rs.49.90 on February 14, 2014.

2. Upon preliminary inquiry, SEBI *prima facie* observed that Mishka made a preferential allotment during 2012-13. Once the shares were allotted to the preferential allottees/promoter related group, certain entities started moving the price of the scrip upwards by trading in very low volumes. Subsequent to the release of compulsory lock-in period for 1 year, the Preferential Allottees and the Promoter related entities were provided exit at a high price by certain entities allegedly related/connected amongst themselves and with Mishka.

3. By virtue of the same, it was alleged that the Company and persons in charge of its affairs created preferential allotment of shares as a mode to provide fictitious long

term capital gains ("**LTCG**") to its Preferential Allottees and Promoter related entities so as to convert their unaccounted income into accounted one; its Promoters/Directors, Exit Providers, Preferential Allottees and the Promoter related entities artificially increased the volume and price of the scrip and misused securities market system for making illegal gains and to convert ill-gotten gains into genuine one to avail LTCG.

4. Accordingly, the following actions were initiated in the matter:

Table – 1

Sl. No.	***Event***	***Date***
1.	Ad interim ex-parte order ("**Interim Order**") passed by SEBI upon the finding that Mishka and its Promoters, Directors and other suspected entities totalling to 129 were *prima facie* in violation of the SEBI Act and the PFUTP Regulations, and as such the said entities were restrained from accessing the securities market and further prohibited from buying, selling or dealing in securities, either directly or indirectly, in any manner whatsoever, till further directions.	April 17, 2015
2.	Order passed by SEBI revoking the directions issued against Jayesh N Kesharia, one of the 129 entities mentioned in the above-mentioned Interim Order.	November 10, 2015

3.	Order passed by SEBI revoking the directions issued against Bharat Bagriand and Manjulaben Sukhdev, part of the 129 entities mentioned in the above-mentioned Interim Order.	August 26, 2016
4.	Confirmatory Orders numbering total of six (6) passed by SEBI confirming the directions passed against the remaining 126 entities	October 12, 2015; October 21, 2015; November 10, 2015; April 13, 2016; July 05, 2016; and August 26, 2016

5.	Order issued by SEBI revoking directions issued against 113 entities* vide the above-mentioned Interim Order, and confirmed thereto by the confirmatory orders mentioned above. *Subsequent to the Interim Order and confirmatory orders thereto, SEBI conducted a detailed investigation with respect to the remaining 126 entities. Upon completion of investigation, no adverse findings were made out against 104 entities with respect to their role in the price manipulation /prima facie warranting continuation of action under Sections 11B and 11(4) of the SEBI Act for the violation of provisions of SEBI Act and PFUTP Regulations. Further with regard to 9 entities, no adverse material was found in the Investigation Report with respect to prima facie violations found against them in the Interim Order, and subsequently confirmed. The Investigation Report, though, brought out violations relating to disclosure under SEBI (Prohibition of Insider Trading) Regulations, 1992 and SEBI (Substantial Acquisition of Shares And Takeovers) Regulations, 2011 warranting Adjudication Proceedings in respect of the 9 entities. Therefore, the said Order was passed revoking the directions against 113 entities.	October 05, 2017

5. From the above chronology, it follows that the Interim order was not revoked against 13 entities, i.e. Noticee Nos.1, 2, 3, 4, 5, 7, 8, 12, 25, 26, 28, 39 and 59 named in the SCN, after a detailed investigation.

The Show-cause Notice

6. Accordingly, based on the investigation, a common Show Cause Notice dated December 12, 2017 (the "**SCN**") was issued to 60 Noticees (13 Noticees against whom the Interim Order was not revoked and 47 new Noticees) named above, calling upon the said Noticees to show cause as to why suitable directions under sections 11(1), 11(4) and 11B of the SEBI Act, 1992 should not be issued against them for the allegations contained therein.

7. The substantive allegations contained in the SCN are provided hereunder:

False and Misleading Objects of the Preferential Issue (Noticee Nos. 1 to 7)

7.1. The Company on September 24, 2012 issued 7,93,700 shares on preferential basis to 46 entities at Rs.85 per share (Face value of Rs.10 per share at premium of Rs.75 per share). Before the preferential allotments, the company had a total shareholding of 4,98,000 shares. It was observed that one Preferential Allottee, namely Pearl Arcade Trading Pvt Ltd was introduced as a Promoter of the Company. The shares issued under preferential allotment were under lock-in till September 23, 2013.

7.2. It was observed that the special resolution passed under section 81(1A) of the Companies Act, 1956, disclosed the following purposes for fund raising through preferential allotment:

- Capital expenditure including acquisition of company/business;

- Funding long term working capital requirements;
- Marketing
- Setting up of offices abroad; and
- For other approved corporate purposes.

7.3. Upon investigation in the matter, it was observed that there were neither additions to the fixed assets of the Company nor any mention of capital work-in-progress. Further, the cash flow statement for these years did not have any cash flow relating to acquisition and development of moveable and immovable property (i.e. negative cash flow from investing activities); on the contrary company sold its existing investments in the F.Y. 2012-13 and 2013-14. It was also observed that Mishka instead of utilising the preferential issue proceeds for the purpose, as stated in the notices of the general meetings wherein preferential allotments of shares were approved, used it for extending loans & advances etc.

7.4. Thus, the SCN has alleged that Mishka (Noticee No. 1) and its six directors (Noticee No. 2 to 7) during the financial years 2012-13 & 2013-14 namely Ankit Om Prakash Garodia, Jugalkishore Sharma, Amit Kumar Vasishtha, Rameshwar Manohar Wagh, Anand Gupta and Vijay Kumar Jain, presented false and misleading objects of the preferential issue to shareholders in Notice of General Meeting of the members of the Company held on September 03, 2012, and as such, Noticee Nos. 1 to 7 are alleged to have violated Section 12A (a), (b) and (c) of SEBI Act, 1992 read with Regulations 3 (a), (b), (c), (d), 4(1), 4(2)(f)(k) and (r) of SEBI (PFUTP) Regulations, 2003.

Manipulation of the Share Price of the Company (Noticee Nos. 8 to 60)

7.5. As on September 30, 2011, the total shareholding of the Company was 4,98,000 shares (held by seven entities and entire shares were in physical mode) of which 4,19,700 shares i.e. 84.28% of total shareholding were held by four Promoter entities, namely, Embassy Finance & Consultants Pvt Ltd, Wave Inter Trades Pvt Ltd, Tohee Trading & Agencies Pvt Ltd, and Sulabh Impex Limited and remaining 78,300 shares i.e. 15.72% of total shareholding were held by three entities namely Vijay Kumar Jain, Ankit Jain and Rashmi Jain, the details of which are as follows:

Table-2

Sr. No.	**Name**	**Category**	**No. of Shares Held**	**% of Total Paid up Capital**
As on 30-Sep-2011				
1	Embassy Finance & Consultants Pvt Ltd	Promoter	1,24,500	25.00%
2	Tohee Trading & Agencies Pvt Ltd	Promoter	1,21,200	24.34%
3	Wave Inter Trades Pvt Ltd	Promoter	1,24,000	24.90%
4	Sulabh Impex Limited	Promoter	50,000	10.04%
Total Promoter Shareholding (A)			**4,19,700**	**84.28%**
5	Vijay Kumar Jain	Director	36,000	7.23%
6	Ankit Jain	Son of Director	32,000	6.42%
7	Rashmi Jain	Wife of Director	10,300	2.07%
Total Non Promoter Shareholding (B)			**78,300**	**15.72%**

Total Shareholding of the company (A+B)	**4,98,000**	**100.00%**

7.6. It was observed during investigation that the above seven entities were connected to each other. Thus, the entire shareholding of the Company was with the aforesaid seven connected entities only, as on 30 September, 2011.

7.7. On December 26, 2011, Sulabh Impex Limited transferred its entire shareholding of 50,000 shares to Ankit Jain through an off-market transfer. Thereafter, six entities (four Promoter entities namely, Tohee Trading & Agencies Pvt Ltd, Wave Inter Trades Pvt Ltd, Embassy Finance and Consultants Pvt Ltd and Vijay Kumar Jain and relatives of Promoter namely Ankit Jain and Rashmi Jain) transferred their entire shareholding (except 2,000 shares of Embassy Finance & Consultants Pvt Ltd) i.e. 4,96,000 in off-market transactions in physical form to 383 entities during the period, December 30, 2011 to February 04, 2013 on 12 dates. Six Promoters and Promoter related entities, stated in their replies that they sold the shares through Roongta Rising Stock Private Limited (hereafter referred as "**RRSPL**") and received the payment of Rs. 21,21,500 (85.54%) directly from RRSPL and Rs. 3,58,500 (14.46%) from the buyers as per instructions of RRSPL. These entities provided copies of bank statements showing payment received from RRSPL and a copy of letter issued by RRSPL to accept Rs.3,58,500 (14.46%) directly from the buyers.

7.8. Investigation revealed that six Promoters and Promoter related entities had transferred 99.60% of their shareholding (4,96,000 shares) to 383 entities and

out of which 19 entities further transferred to 69 entities. Therefore ultimately, 99.60% of promoter shareholding was transferred to 452 entities.

7.9. The entities (who received shares in off-market from six promoters and promoter related entities), except Anil Satyanarayan Roongta, A. K. Roongta HUF and Sudha Anil Roongta which are entities related to Roongta, stated that they came to know about shares of Mishka from a newspaper advertisement published by RRSPL.

7.10. Accordingly, the SCN has alleged that RRSPL devised a scheme to manipulate the price of the scrip by issuing an advertisement buying shares from the promoter entities and manipulating the price of the scrip. As a Company functions through its directors, Anil Satyanarayan Roongta and Sudha Anil Roongta (Noticee No. 8 and 9) being directors of RRSPL , were alleged to have violated the provisions of Regulations 3(a)(b)(c)(d) and 4(1) of SEBI (PFUTP) Regulations, 2003.

7.11. Further, 53 entities (Noticee No. 8 to 60) were alleged to have indulged in an act amounting to manipulation of price of the scrip in Patch-1 and Patch-2. Further, these noticees, except Noticee No. 58 to 60, namely Chandravati M Shah, Manharlal N Shah and Nikunj S Agarwal, are also alleged to have sold the shares at inflated price and booked substantial profit. Hence, the 53 entities (Noticee No. 8 to 60) have been alleged to have violated Regulation 3(a),(b),(c),(d) and Regulation 4(1), 4(2) (a) & 4(2) (e) of SEBI (PFUTP) Regulations, 2003.

Inspection, Personal Hearing and Replies of Noticees

8. The SCN was served on all the Noticees. Pursuant to the SCN, some of the Noticees filed their replies. Some of the Noticees also sought inspection of documents. Based upon the request of the Noticees, an opportunity of inspection of the records/ documents (which were relied upon by SEBI for the purpose of the SCN) was provided to the Noticees. Details with respect to the same are provided hereunder:

Table- 3

Noticees	**Status**	**Inspection of Documents**
1. Mishka Finance and Trading Limited	Service complete	
2. Ankit Garodia	Service complete	
3. Jugalkishore Pralhadrai Sharma	Service complete	
4. Amit Kumar Vasishtha	Service complete	
5. Rameshwar Manohar Wagh	Service complete	
6. Anand Gupta	Service complete	
7. Vijay Kumar Jain	Service complete	
8. Anil Satyanarayan Roongta	Service complete	Yes
9. Sudha Anil Roongta	Service complete	Yes
10. Pawan Darak	Service complete	
11. Megha Ravi Wattamwar	Service complete	Yes
12. A K Roongta Huf	Service complete	Yes
13. Vijay Kumar Soni Huf	Service complete	
14. Ritu S Saraf	Service complete	
15. Kanta Balkishan Jaju	Service complete	

16. Ravi B Wattamwar Huf	Service complete	Yes
18. Sunita Toshniwal	Service complete	
19. Sanjay Ambadas Joshi	Service complete	Yes
20. Vinita Sanjay Joshi	Service complete	Yes
21. Kiran Narayanprasad Toshniwal	Service complete	
22. Tejal Piyush Mehta	Service complete	
23. Sainik Kumar Jain	Service complete	
27. Sorabh Kumar Poddar	Service complete	
28. Rupesh Poddar	Service complete	Yes
31. Hemraj Raneja	Service complete	
32. Tushar Ashok Thakur	Service complete	
33. Sunayana Jain	Service complete	
35. Kiritkumar Ramniklal Mehta	Service complete	
36. Anand Raneja	Service complete	
37. Mansi Manoj Rane	Service complete	
38. Vikram Navinchanra Shah	Service complete	
39. Parul Poddar	Service complete	Yes
40. Ketan Jumakhlal Mehta	Service complete	
41. Usha Rakeshkumar Dixit	Service complete	
42. Sandeep V Saraf	Service complete	
43. Neha Narayan Toshniwal	Service complete	
44. Manish Kumar Bhati	Service complete	
45. Savita Soni	Service complete	
46. Priyanka Pramod Mhapsekar	Service complete	
49. Tejas Gala	Service complete	
50. Mukesh Kumar	Service complete	
51. Kavita Raneja	Service complete	

52. Ashish Ishwarlal Shah	Service complete	
53. Omprakash Sharma	Service complete	
57. Asifatanveer M Shaikh	Service complete	
58. Chandravati M Shah	Service complete	
59. Manharlal N Shah	Service complete	
60. Nikunj S Agarwal	Service complete	

9. Subsequent to the issuance of the SCN, the Noticees filed settlement applications under SEBI (Settlement Proceedings) Regulations, 2018 during the pendency of the current proceedings. The table listing the Noticees from whom Settlement Applications were received is placed hereunder:

Table- 4

Sl. No.	**Noticee No.**	**Noticee**	**Settlement Application No.**	**Applications Accepted**	**Applications Rejected/ Withdrawn**
1	4	Amitkumar Madanlal Vasistha	3996 of 2019	_	Yes
2	5	Rameshwar Manohar Wagh	3992 of 2019	_	Yes
3	8	Anil Satyanaryan Roongta	3968 of 2019	_	Yes
4	9	Sudha Anil Roongta	3969 of 2019	_	Yes
5	10	Pawankumar Motilal Darak	3988 of 2019	_	Yes
6	12	A. K. Roongta (HUF)	3970 of 2019	_	Yes

7	14	Ritu S Saraf	3995 of 2019	_	Yes
8	15	Kanta Balkishan Jaju	4077 of 2019	_	Yes
9	17	Atul Sumatilal Kankaria	3999 of 2019	Settlement Order dated September 24, 2020	_
10	18	Sunita Toshniwal	3994 of 2019	_	Yes
11	21	Kiran Narayanprasad Toshniwal	3990 of 2019	_	Yes
12	23	Shrenik Kumar Jain	3997 of 2019	_	Yes
13	24	Jugal Ramesh Deorah	3986 of 2019	Settlement Order dated September 24, 2020	_
14	25	Atul Moreshwar Save	3982 of 2019 and 3904 of 2019	Settlement Order dated September 24, 2020	_
15	26	Pritishkumar Chaterjee	3983 of 2019 and 3904 of 2019	Settlement Order dated September 24, 2020	_

16	29	Anjali Save	3984 of 2019 and 3904 of 2019	Settlement Order dated September 24, 2020	_
17	30	Tripti Chatterjee	3985 of 2019 and 3904 of 2019	Settlement Order dated September 24, 2020	_
18	34	Sonal Jugal Deorah	3987 of 2019	Settlement Order dated September 24, 2020	_
19	42	Sandeep V Saraf	3991 of 2019	_	Yes
20	43	Neha Narayan Toshniwal	3998 of 2019	_	Yes
21	47	Harshal Ashok Kumat	3993 of 2019	Settlement Order dated September 24, 2020	_
22	48	Atul Sumatilal Kankaria (HUF)	4000 of 2019	Settlement Order dated September 24, 2020	_
23	54	Jay Ketan Somaiya	3989 of 2019	Settlement Order dated September 24, 2020	_

24	55	Kajalkiran Sumatilal Kankaria	4002 of 2019	Settlement Order dated September 24, 2020	_
25	56	Priyanka Atul Kankaria	4001 of 2019	Settlement Order dated September 24, 2020	_

10. As would be evident from the above table, certain settlement applications were withdrawn before their disposal by the respective Noticees. The settlement applications from the remaining Noticees were disposed of by an Order dated September 24, 2020, as detailed in the table above.

11. Opportunities of personal hearings were granted to the Noticees on May 23, 2018 and July 24, 2018. However, as settlement applications had been filed by certain Noticees (listed out in Table – 4 above), whose roles in the matter had a distinct connection with the other Noticees; the present proceedings could not have been concluded before the disposal of the said Settlement Applications. Further opportunity of personal hearing was granted on August 28, 2020 to certain Noticees, who had sought an extension of time for personal hearing and to certain other Noticees who had not appeared for personal hearing before. Further to the said hearing on August 28, 2020, an opportunity was provided to the Noticees who had been heard to submit written submissions, if they so wished. Furthermore, a final opportunity by way of letter dated October 22, 2020 was provided to all the Noticees— excluding

the Noticees who were heard on August 28, 2020 — to submit any additional submissions, if they so wished. The Settlement Applications having been disposed of by an Order dated September 24, 2020, and the rest of the Noticees having been provided adequate opportunities to place their case before me, I find that the present proceedings is ready for consideration and final disposal. In this regard, a list of the Noticees who entered appearance before me along with the details of their representatives etc. is as under:

Table-5

Noticee No.	Noticee	Date of Hearing	Represented By	Designation
1	Mishka Finance and Trading Limited	May 23, 2018	Ravi Ramaiya	Chartered Accountant
2	Ankit Garodia	May 23, 2018	Ravi Ramaiya	Chartered Accountant
3	Jugalkishore Pralhadrai Sharma	May 23, 2018	Ravi Ramaiya	Chartered Accountant
4	Amit Kumar Vasishtha	May 23, 2018	Saurabh Bachhawat	Advocate
5	Rameshwar Manohar Wagh	May 23, 2018	Saurabh Bachhawat	Advocate
6	Anand Gupta	May 23, 2018	Deepak Sharma	Company Secretary
7	Vijay Kumar Jain	May 23, 2018	Deepak Sharma	Company Secretary
8	Anil Satyanarayan Roongta	July 24, 2018; August 28, 2020	Ravi Ramaiya	Chartered Accountant
9	Sudha Anil Roongta	July 24, 2018; August 28, 2020	Ravi Ramaiya	Chartered Accountant

10	Pawan Darak	July 24, 2018; August 28, 2020	Saurabh Bachhawat/Jaikishan Lakhwani	Advocate
11	Megha Ravi Wattamwar	July 24, 2018	Prakash Shah	Advocate
12	A. K. Roongta Huf	July 24, 2018	Ravi Ramaiya	Chartered Accountant
13	Vijay Kumar Soni Huf	July 24, 2018	Pulkit Sharma	Advocate
14	Ritu S Saraf	July 24, 2018; August 28, 2020	Pulkit Sharma/ Jaikishan Lakhwani	Advocate
15	Kanta Balkishan Jaju	May 23, 2018; August 28, 2020	Sameer Khedekar/ Jaikishan Lakhwani	Advocate
16	Ravi B Wattamwar Huf	July 24, 2018	Prakash Shah	Advocate
18	Sunita Toshniwal	July 24, 2018; August 28, 2020	Saurabh Bachhawat/ Jaikishan Lakhwani	Advocate
19	Sanjay Ambadas Joshi	July 24, 2018	Ketan Rupani	Chartered Accountant
20	Vinita Sanjay Joshi	July 24, 2018	Ketan Rupani	Chartered Accountant
21	Kiran Narayanprasad Toshniwal	July 24, 2018; August 28, 2020	Saurabh Bachhawat/ Jaikishan Lakhwani	Advocate
22	Tejal Piyush Mehta	August 28, 2020	Self	-
23	Sainik Kumar Jain/Shrenik Kumar Jain	May 23, 2018; August 28, 2020	Saurabh Bachhawat/Ravi Ramiya	Advocate
27	Sorabh Kumar Poddar	July 24, 2018	Prakash Shah	Advocate
28	Rupesh Poddar	July 24, 2018	KRCV Seshachalam	Advocate
31	Hemraj Raneja	July 24, 2018	Nikunj Kanodia	Chartered Accountant
33	Sunayana Jain	July 24, 2018	Nikunj Kanodia	Chartered Accountant

35	Kiritkumar Ramniklal Mehta	August 28, 2020	Self	-
36	Anand Raneja	July 24, 2018	Nikunj Kanodia	Chartered Accountant
38	Vikram Navinchanra Shah	May 23, 2018	Self	-
39	Parul Poddar	July 24, 2018	KRCV Seshachalam	Advocate
40	Ketan Jumakhlal Mehta	August 28, 2020	Self	-
41	Usha Rakeshkumar Dixit	May 23, 2018	Self	-
42	Sandeep V Saraf	July 24, 2018; August 28, 2020	Pulkit Sharma/ Jaikishan Lakhwani	Advocate
43	Neha Narayan Toshniwal	July 24, 2018; August 28, 2020	Saurabh Bachhawat/ Jaikishan Lakhwani	Advocate
44	Manish Kumar Bhati	August 28, 2020	Self	-
45	Savita Soni	July 24, 2018	Pulkit Sharma	Advocate
46	Priyanka Pramod Mhapsekar	August 28, 2020	Self	-
49	Tejas Gala	August 28, 2020	Self	-
51	Kavita Raneja	July 24, 2018	Nikunj Kanodia	Chartered Accountant
52	Ashish Ishwarlal Shah	August 28, 2020	Self	-

12. Noticees Nos. 32, 37, 50, 57, 58, 60 neither availed the opportunity of personal hearing nor filed any reply. The details with respect to the service of the SCN and Hearing Notices to the said Noticees is provided hereunder:

Table-6

Sl. No.	Noticee	Details
1	Tushar Ashok Thakur, Noticee No. 32	▪ The SCN dated December 12, 2017 was sent by Speed Post to the said Noticee at the address: Dhutum Nagar, Jarimari Mnadir, PO Jasai Tal, Uran, Raigad, Maharashtra-400072. As per the acknowledgement, the same was received by Shri Shanta Ashok Thakur on December 27, 2017. ▪ The SCN dated December 12, 2017 was again sent by way of letter dated March 19, 2018 through Speed Post to the Noticee at the above-mentioned address. As per the acknowledgement, the same was received by Tushar Thakur. ▪ Letter dated October 22, 2020 was sent to the Noticee providing him an opportunity to file written submissions in response to the SCN. The said letter was also emailed to the Noticee on the email ID : tushar2813@gmail.com
2	Mansi Manoj Rane, Noticee No. 37	▪ The SCN dated December 12, 2017 was sent by Speed Post to the said Noticee at the address: 3, Saigeeta Building, Goddev Phatak Road, Opposite Ashwini Hospital, Bhayander East, Thane -

		401105. As per the acknowledgement, the same was delivered. ▪ The SCN dated December 12, 2017 was again sent by way of letter dated March 19, 2018 through Speed Post to the Noticee at the above-mentioned address. As per the acknowledgement, the same was delivered. ▪ Hearing Notice dated April 26, 2018 was sent to the Noticee at the above-mentioned address through Speed Post, informing her of the personal hearing scheduled before WTM on May 23, 2018. The same was returned to SEBI. ▪ A copy of the above-mentioned Hearing Notice was affixed at the address of the Noticee on May 11, 2018. ▪ Letter dated October 22, 2020 was sent to the Noticee providing her an opportunity to file written submissions in response to the SCN. As per the tracking record the same was delivered. The said letter was also emailed to the Noticee on the email ID : rane.mansi@yahoo.co.in
3	Mukesh Kumar, Noticee No. 50	▪ The SCN dated December 12, 2017 was sent by Speed Post to the Noticee at the address: 222 B, Gaiwadi Road, Vigas Street, Keval Cross Lane, Chira Bazar, Mumbai -400002. As per the tracking record the same could not be delivered and returned to SEBI.

		▪ The SCN dated December 12, 2017 was affixed at the address of the said Noticee on January 17, 2018. ▪ Hearing Notice dated April 26, 2018 was sent to the Noticee at the above-mentioned address through Speed Post, informing him of the personal hearing scheduled before WTM on May 23, 2018. The same was returned to SEBI as the same could not be delivered. ▪ A copy of the above-mentioned hearing Notice was affixed at the address of the said Noticee on May 02, 2018. ▪ Letter dated October 22, 2020 was sent to the Noticee providing him an opportunity to file written submissions in response to the SCN.
4	Asifatanveer M Shaikh , Noticee No. 57	▪ The SCN dated December 12, 2017 was sent by Speed Post to the Noticee at the address: 6, Anusuya Bhagwanchi Chawl, Cama Road, Gaon Devi Dongri, Andheri (W), Mumbai- 400 058. As per the tracking record, the same could not be delivered and was returned to SEBI. ▪ The SCN dated December 12, 2017 was affixed at the address of the Noticee on January 17, 2018. ▪ Hearing Notice dated April 26, 2018 was sent to the Noticee at the above-mentioned address through Speed Post, informing him of the personal hearing scheduled before WTM on May 23, 2018.

		The same was returned to SEBI as the same could not be delivered. ▪ A copy of the above-mentioned Hearing Notice was affixed at the address of the Noticee on May 02, 2018. ▪ Letter dated October 22, 2020 was sent to the Noticee providing her an opportunity to file written submissions in response to the SCN. The said letter was also emailed to the Noticee on the email ID : shaikhasifa03@gmail.com
5	Chandravati M Shah, Noticee No. 58	▪ The SCN dated December 12, 2017 was sent by Speed Post to the Noticee at the address: B/208, North Avenue, Adarsh Vihar Complex, Off Marve Road, Malad W, Mumbai -400064. As per the acknowledgement, the same was delivered. ▪ The SCN dated December 12, 2017 was again sent by way of letter dated March 19, 2018 through Speed Post to the Noticee at the above-mentioned address. As per the acknowledgement, the same was delivered. ▪ Hearing Notice dated April 26, 2018 was sent to the Notice at the above-mentioned address through Speed Post, informing her of the personal hearing scheduled before WTM on May 23, 2018. As per the acknowledgement, the same was delivered.

		▪ Hearing Notice dated June 21, 2018 was sent to the said notice at the above-mentioned address through Speed Post, informing her of the personal hearing scheduled before WTM on July 24, 2018. ▪ Letter dated October 22, 2020 was sent to the Noticee providing her a final opportunity to file written submissions in response to the SCN.
6	Nikunj S Agarwal, Noticee No. 60	▪ The SCN dated December 12, 2017 sent by speed post to the said Noticee at the address: B-403/404, Lake Lucerne, Lake Homes, Off Adi Sankaracharya Marg, Powai, Mumbai- 400076. As per the tracking record, the same was delivered. ▪ The SCN dated December 12, 2017 was again sent by way of letter dated March 19, 2018 through Speed Post to the said Noticee at the above-mentioned address. As per the acknowledgement, the same was delivered. ▪ Hearing Notice dated April 26, 2018 was sent to the said notice at the above-mentioned address through Speed Post, informing her of the personal hearing scheduled before WTM on May 23, 2018. As per the acknowledgement, the same was delivered. ▪ Hearing Notice dated June 21, 2018 was sent to the said notice at the above-mentioned address through Speed Post, informing him of the personal hearing scheduled before WTM on July 24, 2018.

		▪ Letter dated October 22, 2020 was sent to the Noticee providing him an opportunity to file written submissions in response to the SCN.

13. Noticee-wise summary of the replies/submissions received from the Noticees is provided hereunder. In the case of Noticees who have submitted similar replies, common issues have been identified and grouped together for the sake of brevity. In addition, once a common ground / contention is raised by one of the Noticees, it is not repeated for other Noticees. Accordingly, the replies of the Noticees are summarized below:

14. **Mishka Finance and Trading Limited (Noticee No. 1)**

14.1. The Company has submitted its replies by way of letters dated May 19, 2018 and October 12, 2018.

14.2. By way of the said reply, it has been submitted by the Noticee that:

a. A common SCN was issued to 60 entities primarily in relation to trading done by certain entities in the scrip of the Company. No part of the SCN makes any allegation of any wrongful trading done by the Company or any of its Directors.

b. The allegation against the Company and its six Directors that during the financial years 2012-13 and 2013-14, false and misleading objects of the

preferential issue was presented to shareholders in notice of general meeting to the shareholders thereby violating the SEBI Act, 1992 and the PFUTP Regulations has been made on the basis of a bank statement. Also, the allegation against the Company for violation of the Act and the PFUTP Regulations, which predominantly deal with manipulative acts regarding trading, is not proper.

c. The SCN extrapolates that the funds from preferential allotment were used for a certain purpose different from the notice and resolution. A copy of the said notice and resolution is annexed at Annexure 19 of the SCN. The SCN has missed out the mandatory explanatory statement as required under Reg. 73(1) of the ICDR Regulations 2009, which was annexed to the notice, for deciding the object of the preferential allotment. The explanatory statement provided that the object of the issue was to meet the long term capital requirement of the Company.

d. The main objects of the company as stated in the memorandum of association are as follows:

1 …

2. To carry on the business of financing in all its branches and in any moveable and immoveable goods and property of any description and to carry on business as mortgage brokers, financial agents and to do all sorts of financing and guaranteeing business.

3. To purchase, lease, exchange or otherwise acquire land, building and other immovable properties of any type or description and rights connected with land and turn the same into account in any manner what so ever and particularly by,

preparing building sites, opening road and by constructing, altering, improving, decorating, furnishing and maintaining offices, flats, houses, shops, buildings etc. and by connecting, sub-dividing properties and by leasing or depositing off the same.

37 (b). To invest any moneys of the Company in such investments as may be thought proper and to hold, sell or otherwise deal with such investments.

e. Considering the nature of the business of the Company, the funds of preferential allotment were used for the approved and declared purposes only and not otherwise.

f. The proceeds of the preferential allotment were applied in the following manner:

- Payment to CD Equisearch Private Ltd ("**CD Equisearch**") – Rs. 2,00,00,000;
- Payment to Esha Securities Limited ("**Esha Securities**") – Rs. 2,21,21,221;
- Payment to Jitendra Dewoolkar ("**Dewoolkar**") – Rs. 2,00,00,000.

g. The payments made to CD Equisearch was for acquiring securities which is in consonance with the objects of the Company and a part of the working capital as suggested in the objects of the issue in the explanatory statement.

h. The monies paid to CD Equisearch was used towards acquiring shares, which is a part of the working capital even as per the Accounting Standards issued by ICAI. Further the Company has earned profits of more than Rs.

41 Lakhs in a span of 6 months from the said trades. Therefore, it cannot be alleged that the application of the proceeds of preferential allotment was in contravention of the objects of the issue.

i. With regard to the payments made to Esha Securities Limited and Jitendra Dewoolkar, it has been submitted that the said amount was paid as advance for some business transaction which did not get through. Therefore the payment was received back from them.

j. Further, the resolution for use of proceeds of Preferential Allotment was inclusive in nature and was an enabling resolution for the Company and its directors to utilize the proceeds to fulfill the additional fund requirements for capital expenditure including acquisition of companies/business, funding long term working capital requirements, marketing, setting up of offices abroad and for other approved corporate purposes.

k. The word 'including' assumes great significance in the facts and circumstances of the present matter as the company and its directors always kept the option of utilization of funds open with them and made no representation whatsoever of the percentage of the proceeds of the issue being used for one specific item. In fact, the explanatory statement only lists "To meet the long term working capital requirement of the Company" as the object of the issue, which has been fully met. Therefore, a combined reading of the resolution and explanatory statement to the said notice would signify that the utilization of the funds was in accordance with the objects of the issue.

l. The ICDR Regulations specify that the disclosure has to be made in the

explanatory statement to the notice and the objects of the issue were clearly stated to mean to meet the long term working capital requirement of the Company.

m. The Company used the funds for the objects of the issue, and Form 26 AS for the financial years reflect that the funds were not just safe but TDS was also being deducted on the interest income from the money advanced by the Company, which is the working capital of the Company.

n. No shareholder has ever complained against the Company for use of funds for purposes other than those disclosed. Also, no shareholder has ever complained against the Company of having committed any fraud or deceit.

14.2.2. Further, the trading in the shares of the Company has been suspended since April 17, 2015 by the BSE on account of the ex-parte ad-interim order. The suspension in the trading of the scrip has caused severe damage and hardship to the shareholders of the Company who have lost a valuable market for trading their securities.

15. **Anikt Garodia, Director, Mishka (Noticee No. 2) and Jugal Kishore Pralhadrai Sharma, Director, Mishka (Noticee No. 3)**

15.1. Jugal Kishore Pralhadrai Sharma has submitted his replies by way of letters dated May 20, 2018 and November 05, 2020. Anikt Garodia has submitted his reply by way of letter dated May 20, 2018. The replies received from the above two Noticees are identical, and as such they have been clubbed together.

15.2. By way of the said replies, it has been submitted by the Noticees that**:**

a. The primary concern of SEBI is with regard to the transactions in the shares of the Company, and the Noticees have neither purchased nor sold any share of the Company as on May 20, 2018.

b. The SCN fails to highlight any specific role of the Noticees, and the allegations are against the Company.

c. The Noticees have perused the reply of the Company, and the said reply be treated as the reply of the Noticees.

16. **Amit Kumar Vasishtha, Director, Mishka (Noticee No. 4)**

16.1. The Noticee has submitted his reply by way of letter dated February 07, 2018.

16.2. By way of the said reply, it has been submitted by the Noticee that**:**

a. The Noticee's appointment happened six months after the preferential allotment and utilization thereof.

b. The decision for preferential issue was taken on September 03, 2012, where the size of the offer and its purpose were decided. Preferential allotment was made by the Company on September 24, 2012. The receipt of proceeds for preferential allotment happened between September 18, 2012 and September 24, 2012. The utilization of the proceeds of preferential allotment was on September 25, 2012.

c. A summary of the Noticee's relationship with the Company is as under:

Date	Particulars

March 30, 2013	Appointment as Additional Director in Board Meeting
March 03, 2015	Resignation from the post of a director

d. The SCN does not make any specific averment or allegation against the Noticee in respect of the alleged violation by the Company of the SEBI Act and the PFUTP Regulations. In this this regard, reference has been made to Sharad Kumar Sanghi V. Sangita Rane, (2015) 12 SCC 781; S.M.S. Pharmaceuticals Ltd. V. Neeta Bhalla (2005) 8 SCC 89; Gorkha Security Services V. Govt. of NCT of Delhi (2014) 9 SCC 105.

e. There was no basis for the issuance of the SCN as a director appointed after the events cannot be held responsible for the acts done prior to his appointment. In this regard reference has been made to SEBI Order dated March 31, 2015 in the matter of Kelvin Fincap Ltd.; SEBI Order dated February 16, 2006 in the matter of Home Trade Limited – WTM /GA/54/ISD/02/06 and State of Haryana V. Brij Lal Mittal.

17. **Rameshwar Manohar Wagh, Director, Mishka (Noticee No. 5)**

17.1. The Noticee has submitted his reply by way of letter dated February 07, 2018.

17.2. By way of the said reply, it has been substantively submitted by the Noticee that:

a. The Noticee was appointed by the Company after all the alleged violations had already taken place and was in no way connected with

the Company at the relevant point of time when the alleged violations took place.

b. Summary of the decisions taken by the Company:

Table-7

Date	Particulars
September 03, 2012	The size of offer and its purpose were decided.
September 24, 2012	Preferential allotment made by the Company.
September 18, 2012 to September 25, 2012	Receipt of proceeds for preferential allotment.
September 25, 2012	Utilization of proceeds of preferential allotment by the Company.
March 30, 2013	Appointment as Additional Director in Board Meeting.
March 03, 2015	Resignation from the post of a Director.

c. The Noticee was never part of any of the meetings or decisions relating to preferential allotment or utilization thereof.

d. The SCN is completely misconceived so far as it relates to the Noticee

and none of the allegations in the SCN apply to the Noticee.

e. It is established law that by merely being a director of a company, a person does not automatically become vicariously liable for all the violations that are allegedly committed by the company and a specific case has to be made out against the directors by showing as to how such director was responsible for the alleged violation or that the alleged violation took place with the consent of such director. In the absence of such specific allegations or evidence, a director of a company cannot be held vicariously liable for the acts of the company. The law with regard to the requirement of issuance of Show Cause Notice and the contents mandatorily required to be included in such show cause notice was recently considered and elaborated by the Hon'ble Supreme Court in *Gorkha Security Services v. Govt. (NCT of Delhi)*, [(2014) 9 SCC 105].

f. The SCN is general and vague in nature and no specific case against the Noticee has been made out.

g. The Noticee has not maintained any link / connection with the Company or its Promoters or any of its Directors in any capacity after resigning from the board of the Company.

18. **Anand Gupta, Director, Mishka (Noticee No. 6)**

18.1. The Noticee has submitted his reply by way of letter dated May 18, 2018.

18.2. By way of the said reply, it has been *inter alia* submitted by the Noticee that:

a. He was never directly or indirectly involved in any sale and purchase of the equity shares of Mishka at any point of time during the period of SEBI examination, or after that period and did not hold any share of the Company at any point of time. He was holding the position of Director without any shareholding in the Company.

b. The outgoing promoters/shareholders/directors only followed the instructions/directions of the broker/mediator, namely RRSPL for the transfer of shares in the name of new Promoters / Directors / Transferees as nominated by them.

c. He was never responsible for any corporate action after the date of appointment of representatives of the new management. He never attended any Board or general meeting after the appointment of the representatives of the new management, namely Ankit Ompraksh Garodia and Jugal Kishore Sharma i.e., February 21, 2012. He was requested by the new management to be on the Board till the time more directors could be inducted, and resigned with effect from March 30, 2013.

18.3. The Noticee has provided an affidavit claiming that he was never part of any corporate action taken by the 'new management'.

19. **Vijay Kumar Jain, Director, Mishka (Noticee No. 7)**

19.1. The Noticee has submitted his reply by way of letter dated May 18, 2018.

19.2. By way of the said reply, it has been *inter alia* submitted by the Noticee that:

a. As per the MOU dated November 24, 2011, signed between him and Subhash Maheshwari, he had desired to transfer the shares of the Company by selling the shares of the Company off-market.

b. He personally held 68,000 equity shares and he sold the same through RRSPL, and as consideration for such sale he received the consideration by way of Cheques bearing nos. 886252 and 886288 of IndusInd Bank for Rs. 2,50,000 and Rs. 90,000 respectively.

c. He did not know any of the other transferors of the shares of Miska or the transferees. He was never directly or indirectly involved in the dealing in the shares of Mishka.

d. He was never responsible for any corporate action after the date of appointment of representatives of the new management. He never attended any Board or general meeting after the appointment of the representatives of the new management, namely Ankit Ompraksh Garodia and Jugal Kishore Sharma i.e., February 21, 2012. He was requested by the new management to be on the Board till the time more directors could be inducted, and resigned with effect from March 30, 2013.

19.3. The Noticee has provided an affidavit claiming that he was never part of any corporate action taken by the 'new management'.

19.4. An email dated October 28, 2020 has been received from Deepak Sharma, the Authorised Representative of Vijay Kumar Jain, informing the death of Vijay Kumar Jain along with a copy of the death certificate dated October 23, 2018 issued

by the Municipal Corporation of South Delhi certifying his death on October 18, 2018 in Delhi.

20. **Anil Satyanarayan Roongta (Noticee No. 8), Sudha Anil Roongta (Noticee No. 9), Anil Roongta HUF (Noticee No. 12)** (collectively referred to as the **"Roongta entities"**)

20.1. The Noticees have submitted a common reply to the subject SCN by way of letter dated July 23, 2018. Further, additional submissions, in the nature of clarifications to the questions posed during the personal hearing, have been submitted by the Noticees by way of letter dated September 14, 2018. Also, subsequent to the hearing on August 28, 2020, additional submissions dated September 17, 2020 have been received from the said Noticees.

20.2. The submissions made by the said Noticees can be divided into two parts. The first part relates to the allegations that RRSPL had devised a scheme to manipulate the price of the scrip by issuing an advertisement, buying shares from promoter entities and manipulating the price of the scrip through 53 entities, and as a company functions through its directors, Noticee Nos. 8 and 9, namely, Anil Satyanarayan Roongta and Sudha Roongta, directors of RRSPL were alleged to have violated provisions of Regulations 3(a)(b)(c)(d) and 4 (1) SEBI PFUTP Regulations, 2003. The second part relates to the allegation of price manipulation whereby the SCN has alleged that the 53 entities were not acting as genuine sellers, had no bona-fide intention to sell and were instrumental in establishing a price higher than the last traded price, contributing to increased scrip price with each of their trades, thereby creating a misleading appearance of trading and price rise in

the scrip. It is further alleged that pursuant to price manipulation, out of the 53 entities, 50 entities i.e. Noticee Nos.8 to 57, sold the shares at inflated price and booked substantial profit. Accordingly, the SCN has alleged that the 53 entities i.e. Noticee Nos. 8 to 60 have violated Regulation 3(a),(b),(c),(d) and Regulation 4(1), 4(2) (a) & 4(2) (e) of SEBI (PFUTP) Regulations, 2003.

20.3. A summary of the submissions made by Noticee Nos. 8, 9, and 12 with respect to the first part of the allegations is as under :

a. RRSPL was approached by one Subhash Maheswari who informed that he had buyers, who were willing to purchase the shares of Mishka. The entire transaction was sourced and concluded by Subhash Maheshwari and RRSPL acted as a broker to the transactions between the said buyers and the sellers.

b. Annexure-9 of the subject SCN (Replies from the entities who received shares in off-market from Promoters/Director) contains the replies of only 38 entities, out of which 9 entities do not claim to have purchased shares on the basis of any newspaper advertisement.

c. Certain purchasers namely, Neha Narayan Toshniwal (date of purchase: 30/04/2012), Parul Rupesh Poddar (date of purchase: 30/04/2012), Rupesh Poddar (date of purchase: 30/04/2012) and Kiran Narayan Prasad Toshniwal (date of purchase: 15/06/2012) have claimed that they purchased shares based on the newspaper advertisement, even though the newspaper advertisement was allegedly issued on September 17, 2012.

d. 17 entities have the same reply and relied upon the exact same photocopy of the newspaper. The very same double inverted commas, (" ") on the advertisement made with a pen in all cases and description of the document in handwritten note are found on replies of most of such entities. Also, the said entities live in different cities and at times in different states, and at several such places the Economic Times Mumbai Edition is not even circulated.

e. Annexure-8 of the SCN (replies of promoters and promoter related entities) enclosed a Memorandum of Understanding executed on stamp paper between Vijay Kumar Jain and Subhash Maheshwari dated November 24, 2011, wherein Subhash Maheshwari was mandated to sell shares of Mishka. This supports the contention of the present Noticees.

f. BSE Regulation 14.2.1 introduced the concept of "Contract Note Cum Bill" on October 24, 2002 which reads, "*Members shall, while issuing contract notes in accordance with regulation 14.2 to their constituents when acting for them as agents and when dealing with them as principals, be entitled to and may add such relevant details as they so deem fit to make it a contract note cum bill. Provided, however, that the content of the contract note as so prescribed by the Governing Board from time to time shall not be diluted*". So, the allegation in the SCN that the requirement to issue "Contract Note Cum Bill" was introduced in November 2013 and prior to that the contracts issued were titled only as "Contract Note", meaning that RRSPL issued fake contract notes is not correct.

g. SEBI had requested RRSPL to provide copies of Contract Notes. RRSPL printed such contract notes from its back office and provided the same to

SEBI. The SCN expresses reservation that RRSPL provided printed contract notes and not acknowledged contract notes. The copies provided by 12 entities, which were on pre-printed stationery, are bound to be different in form, font and style from the copies provided to SEBI, though, the relevant portion i.e. the content mandated by SEBI is same across both contract notes. Acknowledgements are required to be maintained for confirming whether the broker has delivered the contract notes to the clients or not. In the current case there is no dispute to that effect.

h. There are only 2 possible formats (BSE/NSE) for issuing contract notes to clients. In this case the stationery of BSE was used. It appears that the regulation / byelaws of NSE were inadvertently quoted in small font on top of the contract note and the footnotes. However they do not change the nature of the transactions.

i. A perusal of the RTA records would clearly show that the shares were transferred directly from the sellers to the buyers and therefore the allegation that RRSPL acted as a principal is incorrect. Also, the rates specified in the Contract Notes were as directed by Subhash Maheshwari, who instructed the issuance of contract notes at all-inclusive rates, for which separate brokerage was not reflected in the contract note. As evident from the Agreement between the sellers and Mr. Subhash Maheshwari, the total consideration for the transaction would have been 24.90 Lakhs and the brokerage thereon at this rate would have been a negligible amount of Rs. 2490/- one side. As this amount was not material, request was made by a senior citizen viz. Mr. Subhash Maheshwari and as the present Noticees

were also getting to invest in the shares of Mishka, RRSPL issued contract notes without brokerage.

j. The construction of the back office software is such that for generating contract notes certain fields are mandatory and therefore the back office clerks generating the contract notes entered some order id, trade id and time to generate the contract note. It is pertinent to note that all the buyers were well aware that the said trades were off market trades and therefore they directly received shares from sellers.

k. In the present case, the contract notes issued were supported by genuine transactions and transfer of shares. So, the allegation that RRSPL issued fake contract notes is devoid of any merit.

l. The SCN alleges that the contract notes were issued to help people give legitimate colour to the trading in the shares of Mishka, which were executed for possible tax benefits. The said allegation is misconceived as SEBI has already exonerated most of the 452 entities who purchased the shares.

m. RRSPL never issued any such advertisement and the advertisement does not purport to state the name Mishka. Information was sought from the newspaper for the details of the advertiser; in response to which the newspaper company informed that details cannot be provided unless the same is pursuant to a police complaint. Accordingly, a complaint has been lodged with the police for investigation in the matter. Further, despite the name of Bhadresh Shah appearing in the advertisement, it has been sworn

by him in an affidavit that neither did he place the advertisement nor did he receive any call from the entities for the shares of Mishka.

n. SEBI has failed to provide any single rule, byelaw, regulation that supports its contention that a broker is not allowed to act as agents *in* scrips like Mishka, i.e. scrips which have been suspended for reasons like failure to file documents with the exchange, non-payment of listing fee etc.

o. It is settled law that an allegation of conspiracy cannot be upheld against one party of the conspiracy while all others are being let off. This is pertinent in the recent judgments of the Hon'ble SAT in the cases of KII Ltd. and Pat Financial Services. In the facts and circumstances of the present case, while the actual parties who have traded in the shares (promoters and 383 transferee entities) are not charged, but the director of the broking company has been.

20.4. A summary of the submissions made by the above-mentioned Noticees with respect to the second part of the allegations is as under :

a. The investment in shares of Mishka was made through banking channel and they never entered into any conspiracy to manipulate the price of the scrip.

b. The shares of Mishka were purchased in an arm's length transaction and the consideration was paid through the bank account. Similar purchases were made by 383 entities and most of the entities have not been asked to show cause for the purchase. Further, the entities that were given shares in preferential allotment have been completely exonerated. Therefore, no fault can be found with the purchase transactions.

c. It is also the case in the SCN that during Patch 1 the price of the scrip went up from Rs. 5.50 to Rs. 327.50, registering a price rise of Rs. 321.75. Based upon the SCN, it can be inferred that the net contribution of Noticee Nos. 8, 9 and 12 to increase in the LTP was Rs. 3.47 out of the total increase of Rs. 321.75, i.e. ~1.08% of the total increase during Patch I.

d. The buy orders were already placed on the exchange and the present Noticees just sold the shares at a price at which the buyers were ready to purchase the shares. SEBI has not found any fault with the buyers or their prices, which goes on to suggest that both buyers and their order prices were genuine in the eyes of SEBI. That being so, selling shares to genuine buyers at prices which they intend to buy cannot be said to be manipulative.

e. It is settled law that merely placing an order at a price different from the LTP cannot amount to a market manipulation. This is especially in case when the order price is higher than the LTP in case of a seller. It is a cardinal principle of the market that a seller wishes to sell his shares at the highest prices and the buyer wishes to purchase at the lowest prices possible. On the basis of the demand and supply of shares, the prices of the shares move upwards or downwards and the last traded price of a scrip changes several times in a day.

f. In any event, in the facts and circumstances of the case, the buyers trading in the scrip had already placed buy orders on the upper circuit limit and since the scrip had hit the upper circuit, the present Notices could not have been able to sell shares at a lower price even if they were desirous of placing the order at a lower price.

g. Selling shares in smaller quantities is a regular trading strategy employed by several persons trading in the securities market. This can be done for various reasons like checking the connection status to the exchange systems, verifying the broadcast speed, identifying the market depth, identifying the movement in demand and supply, technical study of the price movement of the scrip, resistance level etc. No fault can be attributed for selling a smaller quantity of shares. During patch 1, on the dates shares of Mishka were sold the present Noticees or RRSPL had dealt in small quantity of shares in the following scrips:

Table-8

Security	**Date**	**Sell.**	**Order No.**	**T No.**	**Qty**	**Rate**
AXIS BANK LIMITED	23-May-13	N-098	2300892755	38138	-1	1489.8
AXIS BANK LIMITED	23-May-13	N-098	2300897211	38233	1	1489.7
HDFC BANK LIMITED	23-May-13	N-098	2300661123	26534	-1	701.25
FMFC BANK LIMITED	23-May-13	N-098	2300664635	26728	1	700.9
HDFC BANK LIMITED	23-May-13	N-098	2301188958	53060	-1	704
HDFC BANK LIMITED	23-May-13	N-098	2301191924	54138	1	704
HDFC BANK LIMITED	23-May-13	N-098	2301372777	62555	1	702.9
HDFC BANK LIMITED	23-May-13	N-098	2301375860	62773	-1	702.85
TATA POWER CO. LIMITED	19-Jul-13	N-139	1969508815	67969	1	91.2
TATA POWER CO. LIMITED	19-Jul-13	N-139	1970002190	68228	-1	92.35
RIGA SUGAR. CO. LTD.	25-Jun-13	N-062	148111638	1003	3	13.94

h. The Hon'ble Securities Appellate Tribunal in the case of Vikas Bengani (supra) also held that "It is, thus clear, that in order to establish the charge of price manipulation collusion between the buyer and the seller is

necessary. In the case before us it has not been alleged that the appellant was colluding with the counterparty (seller) or with his broker. In the absence of such an allegation it cannot be held that the appellant was manipulating the price of the scrip of the company upwards."

i. The allegation that the present Noticees contributed to the LTP positively is incorrect. A seller cannot contribute to the LTP positively. It is the corresponding buyer, who buys the shares, that contributes to positive LTP.

j. The SCN alleges that after allegedly contributing to the positive LTP, the present Noticees sold the shares and made substantial profit. However, multiple buyers who purchased either from the market, through RRSPL or were allotted shares under preferential allotment also sold shares at higher prices and they have not been asked to show cause. Therefore, it is not the case in the SCN that selling shares at higher prices amounts to market manipulation.

k. The present Noticees are in no manner connected or related either by blood or otherwise to any other of the 50 entities (53 - Anil Roongta, A K Roongta HUF, Sudha Roongta). Further, all the said 50 parties have executed the transactions through their respective brokers and not through RRSPL.

21. **Pawan Darak (Noticee No. 10)**

21.1. The Noticee by way of letter dated February 06, 2018 and email dated September 05, 2020 has submitted his reply.

21.2. It has been *inter alia* submitted by the Noticee that

a. 100 shares of the Company were acquired by the Noticee from RRSPL at a price of Rs. 30 per share. Subsequently, the Noticee sold a total of 8 shares in two trades on September 13, 2013 and September 17, 2013 respectively.

b. The two trades, regarding which the SCN has alleged that they contributed 0.37 % to the total positive LTP, was executed without any intent to manipulate the price of the scrip. Also, the Noticee's contribution of 0.37% to the total positive LTP was very negligible.

c. After executing the two trades, the Noticee saw the price of the scrip rise. So, the Noticee decided to sell few of his holding at a higher price. Further, there is no bar on selling shares in small quantities.

d. The counter party to the Noticee's sale trades on September 13, 2013 and September 17, 2013, Shyam Kanheyalal Vyas has not been issued an SCN for any violation or manipulation. There is no allegation of connivance between the Noticee and the counter parties. So, the Noticee cannot be alleged to have been involved in any price manipulation as the sale price of the shares was forced upon the Noticee by the buyers who had already placed orders at upper circuit price. The Noticee has also stated that since, no allegation has been made against him for colluding with the buyer, the charge of manipulation should be dropped.

e. Further, it has been submitted by the Noticee that the SCN does not allege any connection between the Noticee with any director/promoter of the company.

f. The Noticee has submitted that selling shares in small quantities was neither illegal nor violative of Regulations 3 and 4 of the PFUTP Regulations.

21.3. Reference has been made to Orders of the Hon'ble SAT in *Vikas Ganshmal Bengani V. SEBI* dated February 25, 2010; *H.B. Stock Holdings Ltd. V. SEBI* dated August 27, 2013; *Adolf Pinto V. AO SEBI* dated September 07, 2010; *KSL and Industries ltd. V. Chairman, SEBI* dated September 30, 2003; *Jagruti Securities Limtied vs Securities and Exchange Board of India* (Appeal No. 102 of 2006 decided on October 27, 2008); and *M/s Nishith M. Shah HUF V. Securities and Exchange Board of India* (Appeal No. 97 of 2019 decided on 16.01.2020).

22. **Megha Ravi Wattamwar (Noticee No. 11)**

22.1. The Noticee by way of letter dated January 02, 2018 and May 17, 2018 has submitted her reply. The Noticee by way of the said replies has stated that she denies all allegations made against her in the SCN. It has been also stated by the Noticee that she is a *bonafide* investor and dealt in the scrip of Mishka in the normal course of her business activity, and the same was in compliance with the relevant provisions of securities law. Further, it has been stated by the Noticee that trades in the scrip of Mishka were dealt in a fair and transparent manner, and the transactions were executed through the normal screen based trading system of stock exchange. In the screen based trading system, the automated system itself matches orders in a price-time priority and thus it is not possible for anybody to access the details of the identity of the counter party.

22.2. One Mr. Vikrant had arranged for the transfer of shares in off-market transactions from RRSPL. Also, during the relevant time i.e., on October 23, 2012 her father-in-law (Shri Bhaskar Wattamwar) had died, and all the family members were depressed and busy in performing religious rituals; so all formalities for the purchase of shares from RRSPL were carried out by Mr. Vikrant.

22.3. The Noticee has further stated that out of a total of 39,970 shares sold, only 3 shares have been alleged to have violated the PFUTP Regulations. The sell quantity alleged to have violated the PFUTP Regulations was negligible and cannot be said to have contributed to any price manipulation.

23. **Vijay Kumar Soni HUF (Noticee No. 13)**

23.1. The Noticee by way of letters dated January 05, 2018 and November 03, 2020 has submitted its reply. The Noticee has submitted that he purchased the shares of Mishka as a normal investor and the transactions with respect to the said shares were made through Karvy Stock Broking Ltd. Further, the Noticee has submitted that it was not connected, either directly or indirectly with the Company.

23.2. Further, the Noticee has submitted that allegation against him cannot be sustained in the absence of any collusion with the buyer or the promoter/director of the Company.

24. **Ritu S Saraf (Noticee No. 14)**

24.1. The Noticee by way of letter dated February 12, 2018 has submitted her reply.

24.2. It has been *inter alia* submitted by the Noticee that,

a. 500 shares of the Company were acquired by the Noticee from RRSPL at a price of Rs. 30 per share. Subsequently, the Noticee sold a total of 4 shares in three trades on July 04, 2013; July 11, 2013; and July 17, 2013 respectively.

b. The three trades, regarding which the SCN has alleged that they contributed 0.56 % to the total positive LTP, was executed without any intent to manipulate the price of the scrip. Also, the Noticee's contribution of 0.56% to the total positive LTP was very negligible.

c. After executing the two trades, the Noticee saw the price of the scrip rise. So, the Noticee decided to sell few of his holding at a higher price. Further, there is no bar on selling shares in small quantities and the same was neither illegal nor violative of Regulations 3 and 4 of the PFUTP Regulations.

d. The counter party to the Noticee's sale trades on July 04, 2013; July 11, 2013; and July 17, 2013, Shyam Kanheyalal Vyas has not been issued an SCN for any violation or manipulation. There is no allegation of connivance between the Noticee and the counter parties. So, the Noticee cannot be alleged to have been involved in any price manipulation as the sale price of the shares was forced upon the Noticee by the buyers, who had already placed orders at upper circuit price.

e. Further, it has been submitted by the Noticee that the SCN does not allege any connection between the Noticee with any director/promoter of the company.

24.3. Reference has been made to Orders of the Hon'ble SAT in *Vikas Ganshmal Bengani V. SEBI* dated February 25, 2010; *H.B. Stock Holdings Ltd. V. SEBI* dated August 27, 2013; *Adolf Pinto V. AO SEBI* dated September 07, 2010; *KSL and Industries ltd. V. Chairman, SEBI* dated September 30, 2003; *Jagruti Securities Limtied vs Securities and Exchange Board of India* (Appeal No. 102 of 2006 decided on October 27, 2008); and *M/s Nishith M. Shah HUF V. Securities and Exchange Board of India* (Appeal No. 97 of 2019 decided on 16.01.2020).

25. **Kanta B. Jaju (Noticee No. 15)**

25.1. The Noticee by way of letters dated August 21, 2017 and January 03, 2018, and email dated September 05, 2020 has submitted her reply.

25.2. The Noticee has *inter alia* submitted that –

a. In the month of September 2012, she came across the classified advertisement published in Economic Times. She called RRSPL to show interest in dealing in shares.

b. As per recommendation of RRSPL, 500 shares of Mishka were bought and payment of Rs.15,000/- for the same was made vide cheque no. 000103 dated November 19, 2012 drawn on the Karur Vysya Bank Ltd, Borivali Branch. A receipt for the same was also received from RRSPL.

c. In the month of May and June 2013, 2 shares of Mishka were sold to check the trading of the Company's scrip in the market. Thereafter, the Noticee was advised by the Tax Consultant to sell the share after November 13, 2013 to get benefit of Long Term Capital Gain benefit and as such the shares were sold.

d. The Noticee has also stated that since, no allegation has been made against her for colluding with the buyer, the charge of manipulation should be dropped.

e. Further, it has been submitted by the Noticee that the SCN does not allege any connection between the Noticee with any director/promoter of the company.

f. The Noticee has submitted that selling shares in small quantities was neither illegal nor violative of Regulations 3 and 4 of the PFUTP Regulations.

25.3. Reference has been made to Orders of the Hon'ble SAT in *Vikas Ganshmal Bengani V. SEBI* dated February 25, 2010; *H.B. Stock Holdings Ltd. V. SEBI* dated August 27, 2013; *Adolf Pinto V. AO SEBI* dated September 07, 2010; *KSL and Industries ltd. V. Chairman, SEBI* dated September 30, 2003; *Jagruti Securities Limtied vs Securities and Exchange Board of India* (Appeal No. 102 of 2006 decided on October 27, 2008); and *M/s Nishith M. Shah HUF V. Securities and Exchange Board of India* (Appeal No. 97 of 2019 decided on 16.01.2020).

26. **Ravi Wattamwar HUF (Noticee No. 16)**

26.1. The Noticee by way of letters dated January 02, 2018, May 17, 2018 and November 10, 2020 has submitted its reply.

26.2. The Noticee has submitted that he was a *bonafide* investor and had dealt in the scrip of the Company in the normal course of business activity and the same was very much within his financial and risk bearing capacity.

26.3. One Mr. Vikrant had arranged for the transfer of shares in off-market transactions from RRSPL. Also, during the relevant time i.e., on October 23, 2012 his father (Shri Bhaskar Wattamwar) had died, and all the family members were depressed and busy in performing religious rituals; so all formalities for the purchase of shares from RRSPL was carried out by Mr. Vikrant.

26.4. There was no intention or purpose to contribute to positive LTP while dealing in the scrip of Mishka.

26.5. The Noticee has further stated that out of a total of 39,970 shares sold by the Noticee, only 3 shares have been alleged to have violated the PFUTP Regulations. The sell quantity alleged to have violated the PFUTP Regulations was negligible and cannot be said to have contributed to any price manipulation.

27. **Sunita Toshniwal (Noticee No. 18)**

27.1. The Noticee by way of letter dated February 06, 2018 and email dated September 05, 2020 has submitted her reply.

27.2. It has been *inter alia* submitted by the Noticee that

a. 100 shares of the Company were acquired by the Noticee from RRSPL at a price of Rs. 30 per share.

b. Only one trade for three shares sold by the Noticee in the scrip of Mishka during Patch-1 has been alleged to have resulted in higher LTP. The single trade made on September 11, 2013, regarding which the SCN has alleged that it contributed 0.36 % to the total positive LTP, was executed without any intent to manipulate the price of the scrip. Also, the Noticee's contribution of 0.36% to the total positive LTP was very negligible.

c. Only single trades in Patch 1 have been considered by SEBI to be manipulative. The Noticee sold 970 shares in the scrip of Mishka subsequent to Patch -1 period and admittedly there was no impact on the LTP because of those trades. SEBI not finding fault with the large trading, cannot allege the trades executed during Patch-1 to be fraudulent.

d. The counter party to the Noticee's sale trades on September 11, 2013, Shyam Kanheyalal Vyas has not been issued an SCN for any violation or manipulation. There is no allegation of connivance between the Noticee and the counter parties. So, the Noticee cannot be alleged to have been involved in any price manipulation as the sale price of the shares was forced upon the Noticee by the buyers, who had already placed orders at upper circuit price. The Noticee has also stated that since, no allegation has been made against her for colluding with the buyer, the charge of manipulation should be dropped.

e. Further, it has been submitted by the Noticee that the SCN does not allege any connection between the Noticee with any director/promoter of the company.

f. The Noticee has submitted that selling shares in small quantities was neither illegal nor violative of Regulations 3 and 4 of the PFUTP Regulations.

27.3. Reference has been made to Orders of the Hon'ble SAT in *Vikas Ganshmal Bengani V. SEBI* dated February 25, 2010; *H.B. Stock Holdings Ltd. V. SEBI* dated August 27, 2013; *Adolf Pinto V. AO SEBI* dated September 07, 2010; *KSL and Industries ltd. V. Chairman, SEBI* dated September 30, 2003; *Jagruti Securities Limtied vs Securities and Exchange Board of India* (Appeal No. 102 of 2006 decided on October 27, 2008); and *M/s Nishith M. Shah HUF V. Securities and Exchange Board of India* (Appeal No. 97 of 2019 decided on 16.01.2020).

28. **Sanjay Ambadas Joshi (Noticee No. 19)**

28.1. The Noticee by way of letters dated January 09, 2018, September 21, 2018, August 14, 2019 and November 11, 2020 has submitted its reply. The Noticee by way of the said replies has stated that he denies all allegations made against him in the SCN. It has been also stated by the Noticee that he is a *bonafide* investor and dealt in the scrip of Mishka in the normal course of his business activity, and the same was in compliance with the relevant provisions of securities law. Further, it has been stated by the Noticee that trades in the scrip of Mishka were done in a fair and transparent manner, and the transactions were executed through the normal screen based trading system of stock exchange. In

the screen based trading system, the automated system itself matches orders in a price-time priority and thus it is not possible for anybody to access the details of the identity of the counter party.

28.2. The Noticee has further stated that out of a total of 79,950 shares sold by him, only 5 shares have been alleged to have violated the PFUTP Regulations. The sell quantity alleged to have violated the PFUTP Regulations was negligible and cannot be said to have contributed to any price manipulation.

29. **Vinita Sanjay Joshi (Noticee No. 20)**

29.1. The Noticee by way of letters dated January 09, 2018, September 21, 2018, August 14, 2019 and November 11, 2020 has submitted its reply**.** The Noticee by way of the said replies has stated that she denies all allegations made against her in the SCN. It has been also stated by the Noticee that she is a *bonafide* investor and dealt in the scrip of Mishka in the normal course of her business activity, and the same was in compliance with the relevant provisions of securities law. Further, it has been stated by the Noticee that trades in the scrip of Mishka were done in a fair and transparent manner, and the transactions were executed through the normal screen based trading system of stock exchange. In the screen based trading system, the automated system itself matches orders in a price-time priority and thus it is not possible for anybody to access the details of the identity of the counter party.

29.2. The Noticee has further stated that out of a total of 79,950 shares sold by her, only 5 shares have been alleged to have violated the PFUTP Regulations. The

sell quantity alleged to have violated the PFUTP Regulations was negligible and cannot be said to have contributed to any price manipulation.

30. **Kiran Narayanprasad Toshniwal (Noticee No. 21)**

30.1. The Noticee by way of letter dated February 07, 2018 has submitted its reply.

30.2. It has been *inter alia* submitted by the Noticee that

a. 600 shares of the Company were acquired by the Noticee from RRSPL at a price of Rs. 30 per share.

b. Only one trade for four shares sold by the Noticee in the scrip of Mishka during Patch-1 has been alleged to have resulted in higher LTP. The single trade made on July 18, 2013, regarding which the SCN has alleged that it contributed 0.20 % to the total positive LTP, was executed without any intent to manipulate the price of the scrip. Also, the Noticee's contribution of 0.20% to the total positive LTP was very negligible.

c. Only single trades in Patch 1 have been considered by SEBI to be manipulative. The Noticee apart from the trade executed in Patch-1 had done substantial trading in the scrip of Mishka. SEBI not finding fault with the large trading, cannot allege the trades executed during Patch-1 to be fraudulent.

d. The counter party to the Noticee's sale trade on July 18, 2013, Chetan Rasiklal Shah has not been issued an SCN for any violation or manipulation. There is no allegation of connivance between the Noticee

and the counter parties. So, the Noticee cannot be alleged to have been involved in any price manipulation as the sale price of the shares was forced upon the Noticee by the buyers, who had already placed orders at upper circuit price.

e. It has been also stated by the Noticee that she is a *bonafide* investor and dealt in the scrip of Mishka in the normal course of his business activity.

f. Reference has been made to Orders of the Hon'ble SAT in Vikas Ganshmal Bengani V. SEBI dated Febriary 25, 2010; H.B. Stock Holdings Ltd. V. SEBI dated August 27, 2013; Adolf Pinto V. AO SEBI dated September 07, 2010; KSL and Industries ltd. V. Chairman, SEBI dated September 30, 2003.

31. **Tejal Piyush Mehta (Noticee No. 22)**

31.1. The Noticee by way of letter dated January 15, 2018 and email dated August 28, 2020 has submitted her reply.

31.2. The Noticce has also stated that, even though, no action has been taken against the buyer, action has been taken against her; and that collusion is required to be established to infer manipulation, which has not been found in this case.

31.3. Also, the Noticee has stated that there was no connection with promoters/directors of the Company.

31.4. The Noticee has submitted that selling shares in small quantities was not illegal. It has further been submitted by the Noticee that she used to sell the shares on daily basis in order to get maximum profit as the share price was getting higher every day.

31.5. Reference has been made by the Noticee to *Jagruti Securities Limtied vs Securities and Exchange Board of India* (Appeal No. 102 of 2006 decided on October 27, 2008) and *Vikas Ganeshmal Bengani vs Whole Time Member, SEBI* (Appeal No. 225 of 2009 decided on February 25, 2010). Further reference has also been made to *M/s Nishith M. Shah HUF V. Securities and Exchange Board of India* (Appeal No. 97 of 2019 decided on 16.01.2020).

32. **Sainik Kumar Jain/Shrenik Kumar Jain (Noticee No. 23)**

32.1. The Noticee by way of letters dated February 13, 2018 and September 12, 2020 has submitted its reply.

32.2. The Noticee has informed that he bought 500 shares of Mishka from RRSPL. The Noticee has stated that the allegation of manipulation was with respect to the sale of 2 shares.

32.3. The Noticee has also stated that he never intended to sell the 2 shares, but to buy them. However, owing to an error the shares were sold. In that respect, the Noticee has informed that since the scrip of Mishka was hitting the upper price band on day to day basis, on April 9, 2013 he instructed his broker to purchase 2 shares. The Noticee was under the impression that the shares purchased earlier will come to the account; so on April 11, 2013 the broker was instructed to sell them back.

However, during the placement of order the Noticee was informed by the dealer that the shares were not bought but sold on April 9, 2013; so the Noticee immediately asked him to cancel the order.

32.4. Since, the price continued to rise, an order to purchase 2 shares on April 26, 2013 was placed to buy the shares that had earlier been sold. This order, as per the Noticee, did not go through. So, the dealer was asked to again try to place another order, which also did not go through.

32.5. The impact of the sale of the shares was 34 paise from the total price rise of Rs. 321 during February 14, 2013 to January 15, 2014.

32.6. The Noticee has stated that he is not connected to the counter party and therefore the charge of manipulation cannot be sustained.

32.7. The Noticee has stated that he was completely unaware of any manipulation and the same is proven from the fact that in order to make profit on the investment, he sold his entire shareholding on April 10, 2014 at and about Rs. 49, and not at the highest price of Rs. 55.

32.8. Reliance has been placed on the Orders passed by the Hon'ble SAT in *Jayantilal Khandwala and Sons Pvt. Ltd. vs. SEBI* (Appeal No. 63 of 2007 decided on), *Nishith M. Shah HUF V. Securities and Exchange Board of India* (Appeal No. 63 of 2007 decided on January 16, 2020)

33. **Sorab Kumar Poddar (Noticee No. 27)**

33.1. The Noticee by way of letter dated January 15, 2018 has submitted its reply.

33.2. It has been *inter alia* submitted by the Noticee that,

a. 1500 shares of the Company were acquired by the Noticee from RRSPL at a price of Rs. 30 per share. Further to this, on or about February 2013, the Company issued bonus shares in the ratio of 7:1. So, the Noticee got a total of 10,500 shares for the 1500 shares held by him.

b. One equity share of the Company was sold on June 11, 2013 through the broker, Mannubhai Mangaldas Securities private Limited to confirm the tradability of the scrip.

c. The day to day price appreciation in the scrip of Mishka gave the Noticee confidence to hold on to the investment. This became fruitful as the Company declared a split of 1 share of face value Rs. 10 to 10 shares of Rs. 1. Consequent to the above, the Noticee got 1,19,990 shares on or about January, 2014.

d. The Noticee looking at the upward movement of the price of shares continued to hold the shares. Finally, the Noticee sold 1,19,900 shares in the open market during the period June 2014 to July 2014 at the prevailing market price.

e. The Noticee is not directly or indirectly related to the Company and has not been involved in any trading of securities in any fraudulent manner.

34. **Rupesh Poddar (Noticee No. 28)**

34.1. The Noticee has submitted his reply by way of undated letter received on July 17, 2018.

34.2. It has been *inter alia* submitted by the Noticee that

a. The investigation report has been relied upon for issuing the Show Cause Notice, and the same was denied to him, which is a violation of natural justice.

b. He came across with an advertisement in the Economic Times on 17th September, 2012. The said classified advertisement was issued by RRSPL and the contact details of one Mr. Bhadresh with telephone number was given there in the ad. Upon being informed that the business of the said Company was good and might give good returns in long run, he purchased 1000 shares at the rate of Rs. 6 per share.

c. As per the Show Cause Notice, the suspension of the scrip was from 7th January, 2002 to 9th May, 2012, and when he bought the shares on 25-10-2012, the suspension had been lifted.

d. He is not connected to the Promoters either directly or indirectly, and the shares were bought from one Wave through RRSPL, an intermediary registered with SEBI, in an off-market transaction.

e. During 14th February, 2013 to 14th February, 2014, the price of the scrip rose from Rs.5.50 to Rs.327.25; whereas the Noticee sold two shares on 25th May, 2013 at Rs.16.65. Accordingly, the Noticee's contribution to the increase in LTP is very minuscule.

f. He was not aware of the law relating to the issuance of the Contract notes. He ensured that he paid the consideration by way of cheque, and received a receipt/

bill/ contract note from the Broker. So, he cannot be held guilty if the Broker committed some irregularity.

g. The institution of proceedings against him and few others, leaving the rest of the 383 entities that purchased shares, was inequitable and a violation of natural justice.

35. **Hemraj Raneja (Noticee No. 31)**

35.1. The Noticee by way of letter dated January 01, 2018 has submitted his reply.

35.2. The Notice has *inter alia* submitted that

a. He purchased the shares physically through RRSPL on the basis of an advertisement in the newspaper.
b. He is not related in any manner to the entities enlisted in the SCN or the promoters of those entities.
c. The shares were bought for investment purposes, and decided to buy the shares of Mishka as the shares were available at a low price.
d. It was expected that the share price will increase, so it was decided to hold the share for some time. Once, the share started to rise, the shares were sold.

35.3. The Noticee has further contended that there was no manipulation and it was a genuine purchase and sale of shares.

36. **Sunayana Jain (Noticee No. 33)**

36.1. The Noticee by way of letter dated July 24, 2018 has submitted her reply.

36.2. The Noticee in her reply has *inter alia* submitted that

a. She acquired 500 shares of Mishka from RRSPL at Rs. 30 per share. In Patch-1 period, she carried out 1 trade for 3 shares, which resulted in positive LTP of 0.20%. The 0.20% contribution to positive LTP is immaterial and she cannot be held responsible for manipulation.

b. The positive LTP of the scrip is determined by the 'Buy side' and the seller cannot by itself lead to positive LTP. Even though, no action has been taken against the buyer, action has been taken against her; and there was no connivance between the Noticee and the buyer.

c. She sold 34,500 shares and 5,470 shares on July 25, 2014 and August 22, 2014 at the prevailing prices. Further that as the legal and beneficial owner of the shares, she had the legal right to sell the shares at any quantities, whether small or large.

36.3. Reference has been made by the Noticee to the Orders of the Hon'ble SAT in *Vikas Ganeshmal Bengani vs Whole Time Member, SEBI* (Appeal No. 225 of 2009 decided on February 25, 2010), *HB Stock Holdings Ltd. V SEBI* (Appeal No. 114 of 2012 decided on August 27, 2013), *Adolf Pinto V. AO, SEBI* (Appeal No. 102 of 2010 decided on September 0, 2010) and *KSL & Industries Ltd. V Chairman, SEBI* (Appeal No. 9 of 2003 decided on September 30, 2003).

37. **Kiritkumar Ramniklal Mehta (Noticee No. 35)**

37.1. The Noticee by way of email dated August 28, 2020 has submitted his reply.

37.2. The Noticee in his reply has stated that he is neither director/promoter nor connected to any member of the company. Also, that he had acquired 50 shares of Mishka from RRSPL at the price of 30 per share. It has been submitted by him that he had made 7 transactions in the scrip of Mishka during the period alleged to have resulted in higher LTP. His intention was only to gain profit, and there was no intention of any manipulation.

37.3. The Noticee has submitted that there was nothing that prevents an investor to sell shares in small quantities. It has further been submitted by the Noticee that he sold his shares in parts so as to earn maximum profit out of it.

37.4. The Noticee has submitted that the Noticee, who was the seller of shares cannot be held for manipulation, as the buyers had already placed orders at the upper circuit price of the scrip.

37.5. The Noticee has also stated that, even though, no action has been taken against the buyer, action has been taken against him; and there was no collusion between him and the buyer.

37.6. Further, the Noticee has stated that there were subsequent trades effected by him in the scrip of Mishka after the Patch 1 period, during which time the price was again rising; however, no manipulation has been alleged by SEBI for those trades. So, all the trades executed by him in the scrip of Mishka should be considered by SEBI while passing the order.

37.7. Reference has been made by the Noticee to the Orders of the Hon'ble SAT in Vikas *Ganeshmal Bengani vs Whole Time Member, SEBI* (Appeal No. 225 of 2009

decided on February 25, 2010), *HB Stock Holdings Ltd. V SEBI* (Appeal No. 114 of 2012 decided on August 27, 2013), *Adolf Pinto V. AO, SEBI* (Appeal No. 102 of 2010 decided on September 0, 2010) and *KSL & Industries Ltd. V Chairman, SEBI* (Appeal No. 9 of 2003 decided on September 30, 2003).

38. **Anand Raneja (Noticee No. 36)**

38.1. The Noticee by way of letter dated January 01, 2018 has submitted his reply.

38.2. The Notice has *inter alia* submitted that

a. He purchased the shares physically through RRSPL on the basis of an advertisement in the newspaper.
b. He is not related in any manner to the entities enlisted in the SCN or the promoters of those entities.
c. The shares were bought for investment purposes, and decided to buy the shares of Mishka as the shares were available at a low price.
d. It was expected that the share price will increase, so it was decided to hold the share for some time. Once, the share started to rise, the shares were sold.

38.3. The Noticee has further contended that there was no manipulation and it was a genuine purchase and sale of shares.

39. **Vikram Navinchandra Shah (Noticee No. 38)**

39.1. The Noticee by way of letter dated January 02, 2018 has submitted its reply.

between the Noticee and the counter parties. So, the Noticee cannot be alleged to have been involved in any price manipulation as the sale price of the shares was forced upon the Noticee by the buyers, who had already placed orders at upper circuit price. The Noticee has also stated that since, no allegation has been made against her for colluding with the buyer, the charge of manipulation should be dropped.

e. Further, it has been submitted by the Noticee that the SCN does not allege any connection between the Noticee with any director/promoter of the company.

f. The Noticee has submitted that selling shares in small quantities was neither illegal nor violative of Regulations 3 and 4 of the PFUTP Regulations. It has been also stated by the Noticee that he is a *bonafide* investor and dealt in the scrip of Mishka in the normal course of his business activity.

43.3. Reference has been made to Orders of the Hon'ble SAT in *Vikas Ganshmal Bengani V. SEBI* dated February 25, 2010; *H.B. Stock Holdings Ltd. V. SEBI* dated August 27, 2013; *Adolf Pinto V. AO SEBI* dated September 07, 2010; *KSL and Industries ltd. V. Chairman, SEBI* dated September 30, 2003; *Jagruti Securities Limtied vs Securities and Exchange Board of India* (Appeal No. 102 of 2006 decided on October 27, 2008); and *M/s Nishith M. Shah HUF V. Securities and Exchange Board of India* (Appeal No. 97 of 2019 decided on 16.01.2020).

44. **Neha Narayan Toshniwal (Noticee No.43)**

44.1. The Noticee by way of letter dated February 07, 2018 and email dated September 05, 2020 has submitted its reply.

44.2. It has been *inter alia* submitted by the Noticee that

a. 1000 shares of the Company were acquired by the Noticee from RRSPL at a price of Rs. 6 per share.

b. The SCN has alleged that one trade for 3 shares of Mishka sold by the Noticee on July 30, 2013 during Patch-1 resulted in higher LTP. The trade made on July 30, 2013 regarding which the SCN has alleged that it contributed 0.23 % to the total positive LTP, was executed without any intent to manipulate the price of the scrip. Also, the Noticee's contribution of 0.23% to the total positive LTP was very negligible.

c. Only the single trades in Patch 1 has been considered by SEBI to be manipulative. The Noticee apart from the trade executed in Patch-1 had done substantial trading in the scrip of Mishka. SEBI not finding fault with the large trading, cannot allege the trades executed during Patch-1 to be fraudulent.

d. The counter party to the Noticee's sale trade on July 30, 2013 , Chetan Rasiklal Shah has not been issued an SCN for any violation or manipulation. There is no allegation of connivance between the Noticee and the counter parties. So, the Noticee cannot be alleged to have been involved in any price manipulation as the sale price of the shares was forced upon the Noticee by the buyers, who had already placed orders at upper circuit price. The Noticee has also stated that since, no allegation

has been made against her for colluding with the buyer, the charge of manipulation should be dropped.

e. Further, it has been submitted by the Noticee that the SCN does not allege any connection between the Noticee with any director/promoter of the company.

f. The Noticee has submitted that selling shares in small quantities was neither illegal nor violative of Regulations 3 and 4 of the PFUTP Regulations.

44.3. Reference has been made to Orders of the Hon'ble SAT in *Vikas Ganshmal Bengani V. SEBI* dated February 25, 2010; *H.B. Stock Holdings Ltd. V. SEBI* dated August 27, 2013; *Adolf Pinto V. AO SEBI* dated September 07, 2010; *KSL and Industries ltd. V. Chairman, SEBI* dated September 30, 2003; *Jagruti Securities Limtied vs Securities and Exchange Board of India* (Appeal No. 102 of 2006 decided on October 27, 2008); and *M/s Nishith M. Shah HUF V. Securities and Exchange Board of India* (Appeal No. 97 of 2019 decided on 16.01.2020).

45. **Manish Kumar Bhati (Noticee No.44)**

45.1. The Noticee by way of letter dated January 29, 2018 has submitted its reply.

45.2. The Noticee held 1,500 equity shares in the Company. In February 2013 the Company issued bonus shares in the ratio of 7:1, and the Noticee got 10,500 equity shares of the Company of the face value Rs. 10.

45.3. Since, the shares of the Company were infrequently traded, on or about June, 2013, 1 share was sold by the Noticee in open market through the stock broker Manubhai Mangaldas Securities Private Limited to confirm the tradability.

45.4. The Company declared a split of its shares of Rs. 10 each to 10 shares of face value of Re. 1 on or about January, 2014 and the Noticee got 1,19,990 equity shares of face value Re. 1.

45.5. 1,19,990 equity shares of the Company were sold by in open market through the stock broker Satyanarayan M. Khetan during the period, June, 2014 to July, 2014 at the prevailing market price.

46. **Savita Soni (Noticee No. 45)**

46.1. The Noticee by way of email dated January 05, 2020 and letter dated November 03, 2020 has submitted her reply.

46.2. The Noticee has inter alia submitted that

a. She purchased the shares of Mishka as a normal investor.
b. The transaction of such shares was dealt with by Karvy Stock Broking Ltd.
c. The Noticee is not connected directly or indirectly with Mishka.

46.3. Further, the Noticee has submitted that allegation against her cannot be sustained in the absence of any collusion with the buyer or the promoter/director of the Company.

47. **Priyanka Mhapsekhar (Noticee No. 46)**

47.1. The Noticee by way of email dated August 28, 2020 has submitted her reply.

47.2. The Noticee in her reply has stated that she is neither director/promoter nor connected to any member of the company. Also, she had made 7 transactions in the scrip of Mishka during the period alleged to have resulted in higher LTP. Her intention was only to gain profit, and there was no intention of any manipulation.

47.3. The Noticce has also stated that, even though, no action has been taken against the buyer, action has been taken against him; and there was no collusion between him and the buyer.

47.4. Also, the Noticee has submitted that there was no finding that she had indulged in fraudulent or unfair trade practices in securities.

47.5. The Noticee has submitted that selling shares in small quantities was neither illegal nor was it banned by either the exchanges or SEBI. It has further been submitted by the Noticee that she sold small quantity of shares in spite of holding large quantity of shares, as the price of the share continuously increased after my sale, so she decided to sell small quantity of his holding at a higher price.

47.6. Reference has been made by the Noticee to *Jagruti Securities Limtied vs Securities and Exchange Board of India* (Appeal No. 102 of 2006 decided on October 27, 2008) and Vikas *Ganeshmal Bengani vs Whole Time Member, SEBI* (Appeal No. 225 of 2009 decided on February 25, 2010). Further reference has also been made to *M/s Nishith M. Shah HUF V. Securities and Exchange Board of India* (Appeal No. 97 of 2019 decided on 16.01.2020).

48. **Tejas Gala (Noticee No. 49)**

48.1. The Noticee by way of email dated August 27, 2020 has submitted his reply.

48.2. The Noticee in his reply has stated that he is neither connected to any director/promoter of RRSPL or of the Company. Also, he had made 6 transactions in the scrip of Mishka during the period alleged to have resulted in higher LTP. His intention was only to gain profit, and there was no intention of any manipulation.

48.3. The Noticce has also stated that, even though, no action has been taken against the counterparties, action has been taken against him. Also, there was no collusion between him and the buyer.

48.4. Further, the Noticee has stated that there were subsequent trades effected by him in the scrip of Mishka after the Patch 1 period, during which time the price was again rising; however, no manipulation has been alleged by SEBI for those trades. So, all the trades executed by him in the scrip of Mishka should be considered by SEBI while passing the order.

48.5. It has further been submitted by the Noticee that he sold small quantity of shares in spite of holding large quantity of shares, as the price of the share continuously increased after my sale, so he decided to sell small quantity of his holding at a higher price.

48.6. Reference has been made by the Noticee to the order of the Hon'ble SAT in the matter of *Vikas Ganshmal Bengani V. WTM, SEBI* dated 25.02.2010.

49. **Kavita Raneja (Noticee No. 51)**

49.1. The Noticee by way of letter dated January 01, 2018 has submitted her reply.

49.2. The Notice has *inter alia* submitted that

a. She purchased the shares physically through RRSPL on the basis of an advertisement in the newspaper.
b. She is not related in any manner to the entities enlisted in the SCN or the promoters of those entities.
c. The shares were bought for investment purposes, and decided to buy the shares of Mishka as the shares were available at a low price.
d. It was expected that the share price will increase, so it was decided to hold the share for some time. Once, the share started to rise, the shares were sold.

49.3. The Noticee has further contended that there was no manipulation and it was a genuine purchase and sale of shares.

50. **Ashish Ishwarlal Shah (Noticee No. 52)**

50.1. The Noticee by way of email dated August 28, 2020 has submitted his reply.

50.2. It has been submitted by the Noticee that he had purchased 50 shares of Mishka from RRSPL at the price of Rs. 30. Also, he had made 5 (sale) transactions in the scrip of Mishka during the period alleged to have resulted in higher LTP. His intention was only to gain profit, and there was no intention of any manipulation.

50.3. The Noticce has also stated that, even though, no action has been taken against the buyer, action has been taken against him; and there was no collusion between him and the buyer.

50.4. Also, the Noticee has submitted that there was no finding that he had indulged in fraudulent or unfair trade practices in securities.

50.5. The Noticee has submitted that selling shares in small quantities was neither illegal nor was it banned by either the exchanges or SEBI. It has further been submitted by the Noticee that he sold small quantity of shares in spite of holding large quantity of shares, as the price of the share continuously increased after my sale, so he decided to sell small quantity of his holding at a higher price.

50.6. The Noticee in his reply has stated that he is not connected to the director/promoter or any member of the company.

50.7. Reference has been made to Orders of the Hon'ble SAT in Vikas Ganshmal Bengani V. SEBI dated February 25, 2010; H.B. Stock Holdings Ltd. V. SEBI dated August 27, 2013; and KSL and Industries ltd. V. Chairman, SEBI dated September 30, 2003.

51. **Omprakash Sharma (Noticee No. 53)**

51.1. The Noticee by way of letter dated March 06, 2018 and November 11, 2020 has submitted its reply.

51.2. It has been *inter alia* submitted by the Noticee that

a. The SCN has alleged that 7 trades for 24 shares of Mishka sold by the Noticee between August 19, 2013 and January 01, 2014 during Patch-1 resulted in higher LTP. The abovementioned trades, regarding which the

SCN has alleged that it contributed 5.33 % of the total positive LTP, was executed without any intent to manipulate the price of the scrip.

b. The counter parties to the Noticee's sale trades have not been issued an SCN for any violation or manipulation. There is no allegation of connivance between the Noticee and the counter parties. So, the Noticee cannot be alleged to have been involved in any price manipulation as the sale price of the shares was forced upon the Noticee by the buyers, who had already placed orders at upper circuit price for quantity ranging from 200 to 5000.

c. The Noticee has also stated that since, no allegation has been made against him for colluding with the buyer, no charge of manipulation can be alleged against him.

d. Nothing prevents an entity to sell shares in small quantities, since the lot size is 1.

51.3. Reference has been made to Orders of the Hon'ble SAT in *H.B. Stock Holdings Ltd. V. SEBI* dated August 27, 2013; *Adolf Pinto V. AO SEBI* dated September 07, 2010; and *KSL and Industries ltd. V. Chairman, SEBI* dated September 30, 2003

52. **Manharlal N Shah (Noticee No. 59)**

52.1. By way of email dated November 09, 2020, it has been informed by Kirit Shah, son of the Noticee that Manharlal N Shah has passed away. A copy of the death certificate received with the said email states that the Noticee died on April 13, 2016 in Mumbai.

53. Certain Noticees even after adequate opportunities have neither sent any reply nor appeared for personal hearing. The proceedings are at a stage now, where the passing of the order cannot be delayed / deferred any further. Thus, looking at the matter holistically as a group matter, I am considering passing of order with respect to all the Noticees, enumerated in the title of this order, irrespective of whether they have responded or not. I am taking into consideration the replies and submissions of Noticees who have responded, and the materials available on record with respect to other Noticees for passing this Order.

Relevant Violations :

54. Provisions of the SEBI Act

Section 12 A (a), (b), (c)

Prohibition of manipulative and deceptive devices, insider trading and substantial acquisition of securities or control.

"12A. No person shall directly or indirectly—

(a)use or employ, in connection with the issue, purchase or sale of any securities listed or proposed to be listed on a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of this Act or the rules or the regulations made thereunder;

(b) employ any device, scheme or artifice to defraud in connection with issue or dealing in securities which are listed or proposed to be listed on a recognised stock exchange;

(c) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person, in connection with the issue, dealing in securities which are listed or proposed to be listed on a recognised stock exchange, in contravention of the provisions of this Act or the rules or the regulations made thereunder"

55. Provisions of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003

Regulation 3(a), (b), (c) and (d)

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.

Regulation 4 (1), 4(2)

4. Prohibition of manipulative, fraudulent and unfair trade practices

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

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

(b) …

(e) any act or omission amounting to manipulation of the price of a security;

(f) publishing or causing to publish or reporting or causing to report by a person dealing in securities any information which is not true or which he does not believe to be true prior to or in the course of dealing in securities;

(k) an advertisement that is misleading or that contains information in a distorted manner and which may influe nce the decision of the investors;

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

Issues for consideration:-

I. Whether the company and its six directors (Noticees 1 to 7) utilized the proceeds of the preferential issue as per the objects of the preferential issue, disclosed to the shareholders in the Notice of General Meeting of the members of the company held on September 03, 2012?

II. Whether the directors of RRSPL (Noticee Nos. 8 and 9) acted simply as agents or were they involved in devising a scheme of manipulating the price of the scrip by issuing an advertisement and buying shares from the promoter entities?

III. Whether the trades of 41 remaining Noticees (including Anil Satyanarayan Roongta, Sudha Anil Roongta and A.K. Roongta HUF), amounted to manipulation of the price of the scrip of Mishka in Patch-1 and Patch-2?

I. Whether the Company and its six directors (Noticees 1 to 7) during the financial years 2012-13 & 2013-14, utilized the proceeds of the preferential issue as per the objects of the preferential issue, disclosed to shareholders in the Notice of General Meeting of the members of the company held on September 03, 2012?

56. The SCN has alleged that the Company and Ankit Om Prakash Garodia, Jugalkishore Sharma, Amit Kumar Vasishtha, Rameshwar Manohar Wagh, Anand Gupta and Vijay Kumar Jain (Noticee Nos. 1 to 7) (who were the directors during the period 2012-13 and 2013-14), presented false and misleading objects of the preferential issue to the

shareholders in the Notice of General Meeting of the Company thereby violating Section 12A (a), (b) and (c) of SEBI Act, 1992 and Regulations 3 (a), (b), (c), (d), 4(1), 4(2)(f),(k) and (r) of SEBI (PFUTP) Regulations, 2003. The preferential issue took place on September 24, 2012.

57. The details with respect to the preferential issuance of shares made by the Company are as under:

Table-9

Sl. No.	***Description***	***Date/ Period***
a.	The Company's total shareholding comprised of 4,98,000 shares	Prior to September 24, 2012
b.	7,93,700 shares issued on preferential basis to 46 entities at Rs.85 per share (Face value of Rs.10 per share at premium of Rs.75 per share)	September 24, 2012
c.	The company received the preferential allotment proceeds in its bank account bearing number 12920200000506 maintained with Bank of Baroda.	September 18, 2012 to September 25, 2012
d.	The shares issued by way of the above	Till September 23, 2013

	preferential allotment were under lock-in.	

58. In this regard, from the copy of the notice and copy of resolution of General Meeting of the members of the Company held on September 03, 2012, wherein a special resolution was passed under section 81(1A) of the Companies Act, 1956, for the above-mentioned preferential allotment, it was observed by investigation that the objects of the preferential issue as presented to the shareholders, and filed with the MCA were the following:

- Capital expenditure including acquisition of company/business;
- Funding long term working capital requirements;
- Marketing
- Setting up of offices abroad and;
- For other approved corporate purposes.

59. In this regard, the Balance Sheet and Profit & Loss Accounts of the Company for the FY 2012-13, 13-14 & 15-16 were analysed. The details of analysis as per the SCN are as follows:

FY 2012-13

- The Company did not have any fixed assets during the FY 2012-13, and there was no addition to the fixed assets during the FY 2012-13. Further, "**Short**

term loans and advances" of the Company increased to Rs.10,54,84,140 as on March 31, 2013 from Rs.34,56,975 as on March 31, 2012. On the other hand, "**Non-current Investments**" of the Company reduced to Rs.50,10,416 as on March 31, 2013 from Rs.4,51,84,166 as on March 31, 2012.

FY 2013-14

- The Company did not have any fixed assets during the FY 2013-14 and there was no addition to fixed assets during the FY 2013-14. There were Nil "Long term loans and advances" of the Company as on March 31, 2013. However,as on March 31, 2014, the balance under this head was Rs.4,89,90,212. Further, the balance under the head "Short term loans and advances" of the Company as on March 31, 2014 was Rs.4,64,91,338. Therefore total "Loans and advances" of the company as on March 31, 2014 was Rs.9,54,81,550. On the other hand, "Non-current Investments" of the Company was reduced to Nil as on March 31, 2014 from Rs.50,10,416 as on March 31, 2013.

60. From the above analysis, it was observed that a) there were no additions to the fixed assets of the Company; b) there was no mention of any capital work-in-progress; c) the cash flow statements for these years did not show any cash flow relating to acquisition and development of moveable and immovable property (i.e. negative cash flow from investing activities); and d) on the contrary company sold its existing investments in the F.Y. 2012-13 and 2013-14.

61. It was observed that the Company had received the allotment proceeds in its bank account bearing number 12920200000506 maintained with the Bank of Baroda

between September 18, 2012 and September 25, 2012. The analysis of the bank statements of the said bank account has revealed that Rs.6,74,64,500 received through preferential allotment of equity shares was immediately transferred to three entities namely CD Equisearch Pvt. Ltd (Rs.2,00,00,000), Esha Securities Limited (Rs.2,21,21,221) and Jitendra Dewoolkar (Rs.2,00,00,000) on September 25, 2012. It was also observed that prior to receipt of the proceeds of the preferential allotments, the funds available in the bank account of the Company would not have been sufficient enough for transfers to various entities. So, it was indeed the allotment proceeds that was transferred to the above entities.

62. Considering the same, the SCN has alleged that the objects of the issue as presented by the Company to its shareholders in the Notice of General Meeting of the members of the company held on September 03, 2012 and disclosed to MCA was not true, and the same was misleading and contained information in a distorted manner, which might have influence the decision of the investors. Considering the above, the SCN has alleged violation of provisions of the SEBI Act and the SEBI PFUTP Regulations as aforesaid.

63. In response to the said allegation, the Company has essentially submitted as shown below:

63.1. The SCN has placed sole reliance on the Notice of General meeting and Special resolution and has critically missed out the explanatory statement under Reg. 73(1) of the ICDR Regulations 2009, which states the object of the preferential allotment to be "*To meet the long term working capital requirement of the Company*". So, the transactions carried out by the Company were in conformity with the disclosure.

63.2. The proceeds of preferential allotment were used for the approved and declared purposes only and not otherwise, in consonance with the objects of the Company as provided in the Memorandum of Association.

63.3. The special resolution for the use of the proceeds of preferential allotment was inclusive in nature and was an enabling resolution for the Company and its directors to utilise the proceeds to fulfil capital expenditure including acquisition of company/business, funding long term working capital requirements, marketing, setting up of offices abroad and, for other approved corporate purposes. And that the Company and its directors always kept the option of utilisation of funds open with them and made no representation whatsoever of the percentage of proceeds of the issue being used for one specific item.

63.4. The payments made to Esha Securities (Rs. 2,21,21,221) and Jitendra Dewoolkar (Rs. 2,00,00,000) were for some business transactions which did not go through. Therefore, the payment was received back from them.

63.5. The payment of a sum of Rs. 2,00,00,000 made to CD Equisearch for acquisition of securities, was a part of the working capital.

64. It would be relevant to reproduce the regulatory framework for a preferential allotment as it existed at the relevant time. Regulation 72 read,

*"**Conditions for preferential issue.***

72. (1) A listed issuer may make a preferential issue of specified securities, if:

(a) a special resolution has been passed by its shareholders;

(b) all the equity shares, if any, held by the proposed allottees in the issuer are in dematerialised form;

(c) the issuer is in compliance with the conditions for continuous listing of equity shares as specified in the listing agreement with the recognised stock exchange where the equity shares of the issuer are listed;

(d) the issuer has obtained the Permanent Account Number of the proposed allottees.

(2) The issuer shall not make preferential issue of specified securities to any person who has sold any equity shares of the issuer during the six months preceding the relevant date: Provided that in respect of the preferential issue of equity shares and compulsorily convertible debt instruments, whether fully or partly, the Board may grant relaxation from the requirements of this sub-regulation, if the Board has granted relaxation in terms of regulation 29A of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 to such preferential allotment."

Regulation 73 (1) reads,

"***Disclosures***

73. (1) The issuer shall, in addition to the disclosures required under section 173 of the Companies Act, 1956 or any other applicable law, disclose the following in the ***explanatory statement to the notice for the general meeting*** *(*emphasis supplied*) proposed for passing special resolution:*

(a) ***the objects of the preferential issue*** *(*emphasis supplied*) ;*

(b) the proposal of the promoters, directors or key management personnel of the issuer to subscribe to the offer;

(c) the shareholding pattern of the issuer before and after the preferential issue;

(d) the time within which the preferential issue shall be completed;

(e) the identity of the proposed allottees, the percentage of post preferential issue capital that may be held by them and change in control, if any, in the issuer consequent to the preferential issue;

(f) an undertaking that the issuer shall re-compute the price of the specified securities in terms of the provision of these regulations where it is required to do so;

(g) an undertaking that if the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked- in till the time such amount is paid by the allottees."

65. It is observed from the special resolution of the shareholders for preferential allotment of shares and the filing of the Company with the MCA that the aforesaid fund raising through preferential allotment was for capital expenditure including acquisition of company/business, funding long term working capital requirements, marketing, setting up of offices abroad and, for other approved corporate purposes. The Company contended that in the explanatory statement under Regulation 73 of the SEBI ICDR Regulations, 2009, the object of the preferential allotment has been listed as "*To meet the long term working capital requirement of the Company*", and accordingly, the transactions carried out by it were in conformity with the disclosure.

66. The Company has asserted that the funds of preferential allotment were used for the approved and declared purposes in consonance with the objects of the Company as provided in the Memorandum of Association. It is stated that the objects contained in the Memorandum of Association provide the general areas in which a company can operate in. On the other hand, a preferential allotment is a specific corporate action for

issuance of shares that *inter alia* requires the Company to declare the objects for such preferential allotment. Therefore, the submission of the Company that the proceeds of the preferential allotment were used for the general objects of the Company as provided in the Memorandum of Association is sweeping and generic in nature. The company has failed to show how it has utilized the issue proceeds for the specific purpose for which the preferential issue was done by the Company. Further, it has been submitted by the Company that the special resolution for the use of the proceeds of preferential allotment was inclusive in nature and was an enabling resolution for the Company and its directors to utilise the proceeds for the objects enumerated in the Notice of General Meeting. And that the Company and its directors always kept the option of utilisation of funds open with them and made no representation whatsoever of the percentage of proceeds of the issue being used for one specific item.

67. In this context, it will be relevant to examine the use of the proceeds of the preferential allotment. A sum of Rs. 2,00,00,000 was transferred to CD Equisearch, which was,as per the Company, for acquisition of securities. The Company has claimed that the same was a part of the working capital as per the Accounting Standards issued by the Institute of Chartered Accountants of India. Similarly, payments of Rs. 2,21,21,221 and Rs. 2,00,00,000 respectively were made to Esha Securities and Jitendra Dewoolkar, which as per the Company were paid as an advance for a business transaction, which did not go through and the money was returned.

68. It is revealed from the submissions made by the Company that more than 70 % of the proceeds was given as advance for buying properties from Esha Securities and Jitendra Dewoolkar. From the documents submitted by Mishka, it is seen that an MoU dated

25 September, 2012 was signed between Esha Securities and Mishka. The said MoU states, "*2. Principal* (Mishka) *with a view of expanding its trading business is looking out for procuring property in* ***Delhi.*** *3. Agent* (Esha Securities) *is appointed to find out suitable property in* ***Delhi*** *as per the requirements of principal on ownership or otherwise. 3. Agent has agreed to look out for the property for Principal on terms and conditions as setout herein below.*" Further to the signing of the said MoU, an advance of more than Rs. 2 crore, which is 33% of the proceeds, was given to Esha Securities. As per the submissions of the Company, it is revealed that the said MoU was cancelled only on April 01, 2013, and the total sum advanced was returned in tranches between April 01, 2013 and May 14, 2013. Thus, from the above, it is evident that the advance was made on the basis of an unstamped MoU and not binding agreements or contracts, and no interest was charged for the a period of over six months, before being returned by Esha Securities. It was observed from the said MoU that clause 2 of the operative covenants reads "*Agent shall assist the Principal in finding out appropriate property* ***in Mumbai."*** At the same time, clause 5 of the operative covenants provides that " *In the event, if the Agent could not find the appropriate property in Delhi for the Principal upto 31st March 2013, the Agent shall repay the advance of Rs. 2,21,21,221* ***without interest to Principal.***" This is ex-facie contradictory. Also, the said advance of Rs. 2,21,21,221 was made to Esha Securities even before the property to be acquired had been identified. Hence, I am of the view that the MoU was a mere white paper document, created as an afterthought to cover the transfer of funds mobilised using the securities market medium.

69. Similarly, another MoU dated September 22, 2012 was signed between Mishka and Jitendra Dewoolkar, whereby Jitendra Dewoolkar was supposed to sell and Mishka was

to buy a Flat in Mumbai. Pursuant to the signing of the said MoU, an amount of *Rs.* 2,00,00,000 was advanced to Jitendra Dewoolkar. In this respect, the said MoU states, "*1. That the Seller has agreed to sell and the Buyer has agreed to purchase "the said Flat" more particularly described in the Schedules annexed hereto, for a total consideration of* Rs *6,00,00, 000 /- (Rupees Six Crore Only). 2. That a sum of* Rs. *2,00,00,000 /- (Two Crore Only) shall be paid by the Buyer on the execution of this MoU, and balance amount* Rs *4,00,00,000/- shall be paid by 31st October 2012 or before registration.*" The said MoU further states, "*8.* ***The transaction shall be completed by 31st October, 2012. This clause shall form the essence of this MOU****. (*Emphasis in original text*) 9. The Buyer and Seller may on mutual consent cancel the MOU before the completion of the stipulated period of Sale and on such cancellation of MOU, the Buyer's right to the amount as paid by them towards the aforesaid consideration, will be returned by Seller, free of any interest and after deduction of any damages, charges etc. as mutually agreed."* As per the submissions of the Company, it is revealed that the said MoU was cancelled on October 25, 2012 and this happens to be just 5 days before the agreed date for completion of the sale. Pursuant to such cancellation, the sum of Rs. 2 crore was returned back to Mishka. In this case, I find that the total worth of the property was Rs.6 crore. So, a sum of Rs. 4 crore was to be additionally paid to Jitendra Dewoolkar by Mishka, and the said transaction was to be completed by October 31, 2012. This was impossible as Mishka had no financial wherewithal to finance such additional payment of Rs. 4 core, which is clear from the summary of the financial performance of the Company for the FYs 2011-12 to 2013-14:

Table-10

(₹ In Crore)

Description	Financial Year		
	2011-12	**2012-13**	**2013-14**
Net sales/Revenue	0.00	16.45	27.11
Other Income	0.00	0.22	0.42
Total income	0.00	16.67	27.53
Profit Before tax	-0.12	0.18	0.58
Net Profit	-0.12	0.12	0.42

70. Further except the execution of the MoU on unstamped papers, there was no "Agreement to Sell" or any other supporting documents for the transfer of a property worth 6 crore rupees. Furthermore, the Company has failed to make out a case as to how the purchase of a flat was connected with the objects of the preferential allotment. Thus, I find that the advances given to Esha Securities and Jitendra Dewoolkar were not intended to fructify into transactions, and were executed with the objective of creating an impression that the Company was trying to acquire immovable property, for business purposes. The sequence of execution of the MoUs and their cancellation

thereof shows that the preferential issue was not bona fide and that it was done with the ulterior motives of utilizing the proceeds for purposes not declared.

71. The SCN states that the objects of the preferential allotment, as informed to the shareholders, by way of the Notice of General Meeting, and the special resolution passed pursuant thereto, are different from the object of the preferential allotment mentioned in the explanatory statement provided under Regulation 73 of SEBI ICDR Regulations, 2009. For the sake of examination, a comparison of is tabulated hereunder:

Objects of the Preferential issue as presented to shareholders/filed with MCA in Notice of General Meeting of the members of the company held on September 03, 2012	**Object of the preferential allotment mentioned in the explanatory statement provided under Regulation 73 of SEBI ICDR Regulations, 2009**
▪ Capital expenditure including acquisition of company/business; ▪ Funding long term working capital requirements; ▪ Marketing; ▪ Setting up of offices abroad and; ▪ For other approved corporate purposes.	▪ To meet the long term working capital requirement of the Company

72. As stated in the SCN, the Company utilized preferential issue proceeds majorly for extending loans & advances for acquiring residential premises. This was not disclosed as a specific object of the Issue u/r 73(1)(a) of ICDR Regulations. Rather, the object disclosed by the Company under the said regulation was "*To meet the long term working capital requirement of the Company.*", which is too broad based and may include loans and advances done as part of the normal course of its business. I note that the objects disclosed by the Company in the Notice of General Meeting, as filed with the MCA, states one of the objects to be "*For other approved corporate purposes*". This expression is also vague and broad. After having examined the utilization/ deployment of the funds of preferential allotment, as brought out in the foregoing paragraphs of the Order, I find that the broad and sweeping objects disclosed under Regulation 73(1)(a) of ICDR Regulations as well as in the expression "*For other approved corporate purposes*" as part of the Notice of General Meeting are consciously motivated. It appears that the only objective of the Company and its directors was to raise funds through the preferential issue route and utilize it as per the wishes of the directors/promoters.

73. In view of the above, I conclude that the Company did not present the true and correct objects of the preferential issue to the shareholders in the Notice of General Meeting. The disclosures have been consciously calibrated towards misleading the shareholders by keeping the objects of the preferential issue broad and vague. Since, the Company failed to present the true and correct objects of the preferential issue in the Notice of General Meeting of the Company, it is clear that the shareholder approval for the proposal cannot be construed as real concurrence for the said preferential allotment

from the shareholders. In this context, it would be relevant to draw reference to the provisions alleged to have been violated, in the SCN: Section 12A (a), (b) and (c) of SEBI Act, 1992 and Regulations 3 (a), (b), (c), (d), 4(1), 4(2)(f), (k) and (r) of SEBI (PFUTP) Regulations, 2003. The above provisions prohibit the use of manipulative and deceptive devices in the securities market and acts that would operate as fraud or deceit upon any person, in connection with dealing in securities. Further, 4 (2) (f) provides that the publishing or reporting of any information which is not true or which a person does not believe to be true prior to or in the course of dealing in securities shall be deemed to be a manipulative fraudulent or an unfair trade practice. Also, 4 (2) (k) provides that an advertisement that is misleading or that contains information in a distorted manner and which may influence the decision of the investors shall be deemed to be a manipulative fraudulent or an unfair trade practice. Further, 4 (2) (r) provides that the planting of false or misleading news which may induce sale or purchase of securities shall be deemed to be a manipulative fraudulent or an unfair trade practice. In this regard, the Company and its directors by their failure to present true and correct objects of the preferential issue to the shareholders in the Notice of General Meeting have employed a manipulative device to deceive the shareholders into giving their concurrence to the special resolution for the preferential allotment and would squarely fall within the ambit of Regulation 4(2) (f), (k) and (r) of SEBI (PFUTP) Regulations. Therefore, I find that the Company has violated Section 12A (a), (b) and (c) of SEBI Act, 1992 and Regulations 3 (a), (b), (c), (d), 4(1), 4(2)(f)(k) and (r) of SEBI (PFUTP) Regulations, 2003.

Role of Directors

74. Furthermore, it is stated that a company works through its directors. Accordingly, in view of above finding in respect of the Company, the situation warrants an examination of the role of the directors of the Company.

75. The Investigation Period determined for the matter was February 14, 2013 to December 31, 2014. As per SCN, the Board of Directors during the investigation period consisted of:-

Table- 11

DIN	**PAN**	**Director's Name**	**Category of Director**	**Appointment Date**	**Cessation Date**
5172218	ARRPG4567A	Ankit Om Prakash Garodia	Managing Director	21/02/2012	Continued during the Investigation Period
5205981	ABLPS6840A	Jugalkishore Sharma	Whole time Director	21/02/2012	Continued during the Investigation Period
5358607	AKNPV5025B	Amit Kumar Vasishtha	Director	30/03/2013	03/03/2015

DIN	PAN	Director's Name	Category of Director	Appointment Date	Cessation Date
6413315	ABLPW8901G	Rameshwar Manohar Wagh	Director	30/03/2013	03/03/2015
649031	AFNPG7938K	Anand Gupta	Director	02/09/2001	30/03/2013
166175	AAAPJ3197K	Vijay Kumar Jain	Director	01/07/2007	30/03/2013

76. It is a matter of record that the Notice for the 28th Annual General Meeting was circulated on August 08, 2012, *inter alia* for approval for the issuance of shares on a preferential basis. Pursuant to the said Notice, a Special Resolution under Section 81(1A) of the Companies Act, 1956 was passed at the said Annual General Meeting held on September 03, 2012. The said Notice had been circulated by Ankit Om Prakash Garodia, Director. Further, it is observed that on the said date of issuance of Notice on August 08, 2012, the Directors in the Company were: Ankit Om Prakash Garodia, Jugalkishore Sharma, Anand Gupta and Vijay Kumar Jain. Further, the Special Resolution approving the issuance of shares on a preferential basis provided that " the Board of Directors of the company be and are hereby authorised to determine the terms and conditions of the issue including face value, quantity, issue price (Including

Price range), manner of calls etc. in such manner as the Board may deem fit and proper in its absolute discretion to be most beneficial to the Company and to approach SEBI and/ or any other competent authority to do all such acts, deeds, matters and things as may be necessary, appropriate and proper or expedient for giving effect to the above Resolution." Thus, it is clear that the Board of Directors comprising of the above directors was entrusted with the responsibility of doing all acts for giving effect to the said resolution. It must be stated that consequent to the passing of the said resolution, the proceeds of the preferential allotment were transferred to three entities, which was, as already established, in contravention of the declared objects of the said preferential allotment.

77. The directors, Amit Kumar Vasishtha (Noticee No. 4) and Rameshwar Manohar Wagh (Noticee No. 5) have claimed that they were never part of any of the meetings or decisions relating to preferential allotment or utilisation thereof. Similarly, Anand Gupta (Noticee No. 6) and Vijay Kumar Jain (Noticee No. 7) have stated that they were never responsible for any corporate action after the date of appointment of representatives of the 'new management', i.e., February 21, 2012. The new management representatives, according to Noticee Nos. 6 and 7 are Ankit Ompraksh Garodia and Jugal Kishore Sharma. It is their case that they never attended any Board meeting or general meeting of the shareholders subsequent to the appointment of Ankit Ompraksh Garodia and Jugal Kishore Sharma. Further, Anand Gupta and Vijay Kumar Jain have submitted affidavits to claim that they were never part of any corporate action taken by the 'new management'.

78. In this regard, the tenures of directorship of the aforesaid four directors namely— Amit Kumar Vasishtha, Rameshwar Manohar Wagh, Anand Gupta and Vijay Kumar Jain are relevant. The details, as provided in Table – 11 above, reveal that both Amit Kumar Vasishtha and Rameshwar Manohar Wagh joined the Board of the Company on March 30, 2013 and ceased to be members of the Board on March 03, 2015. Anand Gupta joined as a Director of the Company on September 02, 2001 and continued to be a Director of the Company till March 30, 2013. Similarly, Vijay Kumar Jain joined as a Director of the Company on July 01, 2007 and continued to be a Director of the Company till March 30, 2013. Further, it would also be relevant to examine the sequence of events in respect of the preferential allotment. From the material on record, it is seen that on September 03, 2012 the Company took the decision determining the size of the preferential allotment and its purpose; on September 24, 2012, the preferential allotment was made by the Company; from September 18, 2012 to September 25, 2012 the Company received the proceeds of the preferential allotment; and on September 25, 2012 transfers were made utilizing the proceeds of preferential allotment by the Company.

79. From a perusal of the above, it appears that the decisions regarding the size of the offer and its purpose, preferential allotment and utilisation of the proceeds happened prior to the joining of Amit Kumar Vasishtha and Rameshwar Manohar Wagh. So, the decisions regarding the preferential allotment, all of which happened prior to March 30, 2013, cannot therefore be attributable to Amit Kumar Vasishtha and Rameshwar Manohar Wagh.

80. In respect of Anand Gupta (Noticee No. 6) Vijay Kumar Jain (Noticee No. 7), it is seen that they were directors in the Company since 2001 and 2007 respectively, and continued to be directors till March 30, 2013. So, it is a fact that the above named Noticees were part of the Board of Directors, which was involved in the decisions regarding the preferential allotment. That being the case, the above named Noticees have stated that they were never responsible for any corporate action after the date of appointment of representatives of the new management, namely Ankit Ompraksh Garodia and Jugal Kishore Sharma i.e., February 21, 2012, and that they never attended any Board or general meeting subsequent to the said date. Affidavits have been filed to support this assertion. The Noticees' assertion that they were not involved in any corporate action although they were a part of the Board is vacuous, contradictory and illogical. If they were not part of any corporate action, they should have resigned their positions on the Board immediately. Given that they were associated with the Board right till March 2013, when the Board took important financial decisions, I am not inclined to make any specific exception in respect of Anand Gupta (Noticee No. 6) and Vijay Kumar Jain (Noticee No. 7).

81. In light of the above, I find that the following Directors of the Company: Ankit Om Prakash Garodia (Noticee No. 2), Jugalkishore Sharma (Noticee No. 3), Anand Gupta (Noticee No. 6) and Vijay Kumar Jain (Noticee No. 7) having been entrusted with the responsibility, as members of the board of directors, of doing all acts for giving effect to the said resolution and consequent thereto, using the proceeds of the preferential allotment in contravention of the objects of the said preferential allotment, are liable

for the violation of Section 12A (a), (b) and (c) of SEBI Act, 1992 and Regulations 3 (a), (b), (c), (d), 4(1), 4(2)(f)(k) and (r) of SEBI (PFUTP) Regulations, 2003. With regard to Vijay Kumar Jain, a copy of the death certificate, issued by the Municipal Corporation of South Delhi, certifying his death has been received from Deepak Sharma, his authorised representative by way of email dated October 28, 2020. In the said circumstances, the present proceedings against late Vijay Kumar Jain, stands abated.

II. Whether the directors of Roongta Rising Stock Pvt Ltd (Noticee Nos. 8 and 9) acted simply as agents or were they involved in devising the scheme of manipulating the price of the scrip by issuing an advertisement and buying shares from the promoter entities?

82. The SCN has alleged that RRSPL had devised a scheme to manipulate the price of the scrip by issuing an advertisement, buying shares from the promoter entities and manipulating the price of the scrip through 53 entities. Further, RRSPL dealt in the suspended scrip and issued fake contract notes. As a company functions through its directors, Anil Satyanarayan Roongta and Sudha Anil Roongta (Noticee Nos. 8 and 9) being directors of RRSPL, are alleged to have violated provisions of Regulations 3(a)(b)(c)(d) and 4(1) of SEBI (PFUTP) Regulations, 2003.

83. The Roongta entities in their replies have inter alia submitted that

83.1. The entire transaction was sourced and concluded by Subhash Maheshwari and RRSPL acted as a broker to the transactions between the said buyers and the sellers. Annexure-8 of the SCN enclosed a Memorandum of Understanding executed on

stamp paper between Vijay Kumar Jain and Subhash Maheshwari dated November 24, 2011, wherein he was mandated to sell shares of Mishka.

83.2. SEBI had sought copies of Contract Notes from RRSPL. Investigation has stated that RRSPL printed such contract notes from its back office and provided the same to SEBI. The SCN expresses reservation that RRSPL provided printed contract notes and not the acknowledged contract notes. Acknowledgements are required to be maintained for confirming whether the broker has delivered the contract notes to the clients or not. The regulation / byelaws of NSE were inadvertently quoted in small font on top of the contract note and the footnotes, even though, the sale was in respect of shares listed on the BSE.

83.3. The construction of the back office software is such that for generating contract notes certain fields are mandatory and therefore the back office clerks generating the contract notes entered some order id, trade id and time to generate the contract note.

83.4. The shares were transferred directly from the sellers to the buyers, as would be clear from the records of the RTA, and therefore the allegation that RRSPL acted as a principal is incorrect.

83.5. Also, the rates of brokerage specified in the Contract Notes were as directed by Subhash Maheshwari, who instructed the issuance of contract notes at all-inclusive rates, for which separate brokerage was not reflected in the contract note. As evident from the Agreement between the sellers and Mr. Subhash Maheshwari, the total consideration for the transaction would have been 24.90 Lakhs and the

brokerage thereon at this rate would have been a negligible amount of Rs. 2490/- on one side. As this amount was not significant, request was made by a senior citizen viz. Mr. Subhash Maheshwari and as the present Noticees were also getting to invest in the shares of Mishka, RRSPL issued contract notes without brokerage.

83.6. RRSPL never issued any such advertisement and the advertisement does not purport to state the name Mishka. Information was sought from the newspaper for the details of the advertiser; in response to which the newspaper company informed that details cannot be provided unless the same is pursuant to a police complaint. Accordingly, a complaint has been lodged with the police for investigation in the matter. Further, despite the name of Bhadresh Shah appearing in the advertisement, it has been sworn by him on an affidavit that he did not place the advertisement and did not receive any call from the entities for the shares of Mishka.

83.7. Certain purchasers namely, Neha Narayan Toshniwal (date of purchase: 30/04/2012), Parul Rupesh Poddar (date of purchase: 30/04/2012), Rupesh Poddar (date of purchase: 30/04/2012) and Kiran Narayan Prasad Toshniwal (date of purchase: 15/06/2012) have claimed that they purchased shares based on the newspaper advertisement, even though the newspaper advertisement was allegedly issued on September 17, 2012. The said entities live in different cities and in some instances in different states, and at several such places the Economic Times Mumbai Edition is not even circulated.

83.8. SEBI has failed to provide any provision of law which provides that a broker is not allowed to act as agents in scrips like Mishka, i.e. scrips which have been

suspended from trading for reasons like failure to file documents with the exchange, non-payment of listing fee etc.

83.9. It is settled law that an allegation of conspiracy cannot be upheld against one party to the conspiracy while all others are being let off. This is pertinent in the recent judgments of the Hon'ble SAT in the cases of KII Ltd. and Pat Financial Services. In the facts and circumstances of the present case, while the actual parties who have traded in the shares (promoters and 383 transferee entities) are not charged, but he has been charged for being a director of the broking company.

83.10. I also note that the Roongta entities had made a request for full inspection of records with SEBI, which included summons/letters issued to the off-market buyers, certain documents relating to the appeals filed before SAT, details of efforts taken by SEBI to check the issuer of the alleged advertisement etc. Further, the Roongta entities had sought the cross-examination of those buyers who had stated that they relied on the advertisement to purchase the shares. I find that SEBI has not inferred about the knowledge and involvement of the Roongta entities in the matter merely based on certain statements/replies of the buyers. An overall reading of the Investigation Report brings out the fact that the Investigation has drawn inference against the Roongta entities based on various factors viz., the fund flow, the manipulation pattern, the sequence of events from the MOU followed by the single-point dealing of shares by RRSPL during the suspension of Mishka and the fact that all the buyers bought the shares through RRSPL exclusively. It is noted that the request for full inspection and cross-examination does not hold merit, in the facts and circumstances of the case.

84. I have carefully considered the charges listed out in the SCN and the replies furnished by the Noticees thereto. Generally, the modus operandi that has been observed by SEBI in many LTCG matters, including the present one, is that penny stocks are first identified; thereafter they are listed on the stock exchange or the pending suspension is revoked; subsequently towards the end of the lock in period of the new subscribers, the price of the scrip is artificially jacked up and finally, the shares are dumped at higher prices in the market on gullible public. The intent of such schemes is twofold: a) to give shares with very little market value an impression of trading and then booking profits by selling these shares at artificially created high prices; and b) misusing the securities market system to avoid payment of taxes on Long Term Capital Gains. I do not intend to get into the LTCG angle of the scheme, allegedly devised by RRSPL and its Directors, as the same is beyond the purview of this order. In this connection, it may be recalled that the investigation in the present case was necessitated on the receipt of a reference from the Income Tax Department. However, the scope of this order is to examine the market manipulation aspect and the related roles played by the Noticees in such manipulation.

85. In this regard, Investigation has revealed that six Promoters and Promoter related entities of Mishka had transferred 99.60% of their shareholding (4,96,000 shares) to 383 entities and out of which 19 entities further transferred their shareholding to 69 entities. Therefore ultimately, 99.60% of promoter shareholding was transferred to 452 entities.

86. The transfer of shares from the six Promoters and Promoter related entities of Mishka to the buyers, is analysed as shown below. As per the shareholding pattern received

from BSE, the total shareholding of the company was 4,98,000 shares as on September 30, 2011 (entire shares were in physical mode) of which 4,19,700 shares i.e. 84.28% of total shareholding were held by four Promoter entities of the company namely Embassy Finance & Consultants Pvt Ltd, Wave Inter Trades Pvt Ltd, Tohee Trading & Agencies Pvt Ltd, and Sulabh Impex Limited and remaining 78,300 shares i.e. 15.72% of total shareholding were held by three entities namely Vijay Kumar Jain, Ankit Jain and Rashmi Jain, the details of which are as follows:

Shareholding Pattern of Mishka as on September 30, 2011

Table-12

Sr. No.	**Name**	**Category**	**No. of Shares Held**	**% of Total Paid up Capital**
As on 30-Sep-2011				
1	Embassy Finance & Consultants Pvt Ltd	Promoter	1,24,500	25.00%
2	Tohee Trading & Agencies Pvt Ltd	Promoter	1,21,200	24.34%
3	Wave Inter Trades Pvt Ltd	Promoter	1,24,000	24.90%
4	Sulabh Impex Limited	Promoter	50,000	10.04%
Total Promoter Shareholding (A)			**4,19,700**	**84.28%**

5	Vijay Kumar Jain	Director	36,000	7.23%
6	Ankit Jain	Son of Director	32,000	6.42%
7	Rashmi Jain	Wife of Director	10,300	2.07%
Total Non Promoter Shareholding (B)			**78,300**	**15.72%**
Total Shareholding of the company (A+B)			**4,98,000**	**100.00%**

87. Thus, the entire shareholding of the company was with the aforesaid seven connected entities only. It was observed from transfer data received from Registrar and Transfer Agent ("RTA") of the company (Annexure 7), that on December 26, 2011, Sulabh Impex Limited transferred its entire shareholding of 50,000 shares to Ankit Jain in off-market. Thereafter, six entities (four Promoter entities namely Tohee Trading & Agencies Pvt Ltd, Wave Inter Trades Pvt Ltd, Embassy Finance and Consultants Pvt Ltd and Vijay Kumar Jain and relatives of Promoter namely Ankit Jain and Rashmi Jain) (hereafter referred to as "six Promoter and Promoter related entities") transferred their entire shareholding (except 2,000 shares of Embassy Finance & Consultants Pvt Ltd) i.e. 4,96,000 in off-market in physical form to 383 entities during the period December 30, 2011 to February 04, 2013 on 12 dates. The details of transfer are as follows:

Table-13

S. No.	Date of Transfer	No. of shares Transferred	No. of entities
1	30-Dec-2011	71,700	15
2	30-Apr-2012	17,200	20
3	15-Jun-2012	1,11,100	137
4	5-Dec-2012	94,000	54
5	12-Dec-2012	14,000	14
6	19-Dec-2012	24,900	24
7	26-Dec-2012	10,000	10
8	31-Dec-2012	27,500	25
9	15-Jan-2013	28,100	27
10	21-Jan-2013	31,000	26
11	31-Jan-2013	30,000	25
12	4-Feb-2013	36,500	20
	Total	**4,96,000**	**397****

**It was observed that out of 397 entities, 14 entities received shares twice on two different dates from two different entities. Therefore, total unique entities were 383 (397-14) who received shares in off-market.

88. RRSPL has contended that it was approached by one Subhash Maheshwari who informed that he had buyers who were willing to purchase the shares of Mishka. RRSPL further stated that the entire transaction was sourced and concluded by Subhash Maheswari and that it acted as a broker between the buyers and sellers. This contention however does not seem to be true and correct. Annexure – 8 of the SCN shows that RRSPL had written a letter (undated) to Tohee Trading & Agencies Pvt Ltd, recommending names of 15 persons " *who are willing to buy your 71700 shares held in the Pyramid Trading and Finance Ltd. at 5 rupees per share.*" It is noted from the trading details as received from the RTA, that the said 71,700 shares were in fact transferred by Tohee Trading & Agencies Pvt Ltd. The details of the said transfers are as under:

Table No. 14

Transfers of shares of Mishka Finance and Trading Limited in physical form during the period from October 01, 2011 to December 31, 2013			
DATE	**TRANSFERER NAME**	**TRANSFEREE NAME**	**NO OF SHARES TRANSFERRED**
30-Dec-2011	TOHEE TRADING & AGENCIES PVT LTD	SANJAY ZENDE	4900
30-Dec-2011	TOHEE TRADING & AGENCIES PVT LTD	JAYESH SHAH	4500
30-Dec-2011	TOHEE TRADING & AGENCIES PVT LTD	JAYESH DEVGHARKAR	4600

30-Dec-2011	TOHEE TRADING & AGENCIES PVT LTD	TEJAS GALA	4865
30-Dec-2011	TOHEE TRADING & AGENCIES PVT LTD	MANISHA SHAH	4500
30-Dec-2011	TOHEE TRADING & AGENCIES PVT LTD	ARTI KANSARA	4800
30-Dec-2011	TOHEE TRADING & AGENCIES PVT LTD	SHAILESH PANDYA	4915
30-Dec-2011	TOHEE TRADING & AGENCIES PVT LTD	JANARDAN RAMSAKAL SHARMA	4800
30-Dec-2011	TOHEE TRADING & AGENCIES PVT LTD	SARITA DEVI MALL	4850
30-Dec-2011	TOHEE TRADING & AGENCIES PVT LTD	PRADIP YADAV	600
30-Dec-2011	TOHEE TRADING & AGENCIES PVT LTD	PRADIP YADAV	2500
30-Dec-2011	TOHEE TRADING & AGENCIES PVT LTD	PRADIP YADAV	1810
30-Dec-2011	TOHEE TRADING & AGENCIES PVT LTD	PRAKASH G REVALE	4700
30-Dec-2011	TOHEE TRADING & AGENCIES PVT LTD	SUNIL MOHAN KANSARA	4660
30-Dec-2011	TOHEE TRADING & AGENCIES PVT LTD	SOMNATH BOMBLE	4900
30-Dec-2011	TOHEE TRADING & AGENCIES PVT LTD	SUKRIT GHOSH	4900
30-Dec-2011	TOHEE TRADING & AGENCIES PVT LTD	SANJEEV SINGH	4900
TOTAL			71700

89. I also note that Vijay Kumar Jain in his reply has stated about the execution of an MOU with Subhash Maheshwari whereby he had agreed to transfer 4,98,000 equity share to him at a consideration of Rs. 5 per share. According to V K Jain, the intention of the MOU was to record that the transferor promoters/shareholders were not responsible or liable to list the shares of the company on BSE. He had also undertaken to continue to act as director in the Company till the revocation of suspension of the company on BSE. I note that the underlying idea behind the MOU is admittedly an off market transfer of shares which were in physical form. In the chronology of events furnished by V K Jain, it is seen that on 19.03.2012 he had transferred 68,000 shares to Subhash Maheshwari and his nominees/assignees through RRSPL. V.K. Jain had received the consideration directly from RRSPL, which fact is supported by the copy of the receipt of RRSPL, Bank statement and other related papers. As per V K Jain's reply, after the signing of the MoU with Subhash Maheshwari, he introduced him to one mediator/broker namely, RRSPL. This, he states was " *for the smooth transfer of shares of the company and to complete the transfer of shares process*" Thus, undisputedly, the off-market transaction in a suspended scrip was arranged by RRSPL, subsequent to the execution of the MoU. I note from the MoU that there was a plan for change of name of the Company in RoC ; a plan to revoke the suspension with BSE; a plan to get the company listed on the exchange and a plan to shift the office to another place. It was also mutually agreed between Subhash Maheshwari and V K Jain that an RTA would be appointed in Mumbai by Subhash Maheshwari and all records related to the shares would be handed over to them. I note that the consideration of Rs. 24,80,000 was received by the seller promoters from the account of RRSPL.

90. Now the question is whether RRSPL acted as a broker for Subhash Maheshwari or was it acting as a principal to the transactions. As stated earlier, Embassy Finance and Consultants Pvt Ltd, Ankit Jain, Rashmi Jain, V K Jain, Anand Gupta, Tohee Trading & Agencies Pvt Ltd, Wave Inter Trades Pvt Ltd have all provided proof of payment of consideration from RRSPL. First and foremost, it is beyond comprehension as to why a broker is required for off-market transactions between the set of parties shown in the MoU , especially when the shares are in physical form. It is emphasized that going by V K Jain's reply the first party and the second party in MoU knew each other at the time of execution and the broker came into the picture only thereafter. RRSPL, claiming to be the Broker, failed to produce any document to show that Subhas Maheshwari had in fact bought the shares from the promoters of Mishka.

91. Investigation has also placed reliance on the advertisement in ET - supposedly published on 17/09/2012. The advertisement with the reference of "Ajay Banka" of "Roontga" hand written on it has been annexed in the SCN as Annexure- 10 of the SCN. The Roongtas have tried to punch holes with respect to the advertisement by stating that 452 entities have not relied on the advertisement; four buyers had bought shares prior to the advertisement; that it is not possible for buyers living outside Mumbai to get the copy of the advertisement with the same hand written endorsements on it etc. To sum up, the Roongtas have denied the disbursement of shares to 452 entities through the advertisement. On the other hand, the Roongtas have placed reliance on the MOU to state that V K Jain had agreed to sell the shares to Maheshwari and it was just a broker in the deal. Thus, indirectly RRSPL is trying to create a mystery behind the availability of the same advertisement with several entities. RRSPL has gone

to the extent of denying the whole exercise of advertisement. RRSPL is also unable to explain the presence of Bhadresh Shah's name (one of its authorized signatories) in the advertisement. RRSPL has made a faint attempt to show that it has tried to discover the person who caused the advertisement to be published. It is being stated that RRSPL has lodged a police complaint with the Surat Police in this regard. The contents of the advertisement reads as : "*We deal in Physical/ Odd Lot shares of all Cos. Contact Roongta Rising Stock Pvt. Ltd. Bhadresh: 09898554161"*. I note that the name of Mishka does not figure in the advertisement.

92. Despite all the mystery surrounding the publication of the advertisement, it is a fact that there was an advertisement in ET for dealing in odd lot of shares of all companies by RRSPL during September 2012. It is an uphill task for the investigation to establish that 452 entities had bought the shares solely relying on the advertisement. I acknowledge that the investigation has attempted to show that RRSPL had become a single contact point for the buyers of the scrip through the conscious attempt on the part of the Roongtas. However, I do not want to shift my focus from the main issue of whether RRSPL acted as a broker or was itself a principal, by getting distracted on minor issues such as the advertisement etc. It is relevant for me to note that the scrip was itself an unknown name in the trading spheres, and still it could reach the hands of 452 entities, all through RRSPL.

93. At the same time, I note that the MOU between V K Jain and Subhash Maheshawri also does not lead one to any conclusion because there is no evidence showing the fructification of the MOU. Neither has V K Jain produced it nor has the broker, RRSPL produced it. In the absence of such evidence the MOU can only be seen to evidence

the desire of VK Jain to transfer his and his related entities' shareholding to Maheshwari. Subhash Maheshwari was not available for examination to the investigation team of SEBI as he had passed away by that time. It cannot be denied that RRSPL had knowledge of the MOU and the intended transfer of shares by the seller promoters.

94. In this connection, the crucial question is who bought the shares from the promoters such that it could reach a larger section of the investors. Incidentally, I note that the investigation has brought out all the differences in the format and content between the contract note copies tendered by the RRSPL vis- a- vis the ones tendered by the buyers of RRSPL. On the analysis of the differences, the investigation has alleged that RRSPL has generated fake contract notes. I find that the distinction between Annexure –9 and 11 of the SCN does not bear a great significance in the context of the present Section 11 B proceedings. One of the reasons for this is the fact that there has been no one-to-one comparison of the contract notes transaction-wise. As such, there is no genuine need for issue of a contract note for an off-market transaction in a suspended stock like Mishka. Still, I note that RRSPL had issued contract notes to some buyers to show on record that they were acting as a broker for those clients. The question still remains open as to why all the buyers went to RRSPL to buy Mishka's shares, and why nobody bought Mishka's shares from anybody else. I note that whether the documents evidencing transfer match or not, ultimately, the transfer of shares through RRSPL is not denied, given the strong evidence of funds transfer discussed later.

95. In connection with the transfer of shares to the set of buyers identified by the investigation, RRSPL contended that the shares were transferred directly from the

sellers to the buyers. It was further contended that the rates in the contract notes were as directed by Subhash Maheshwari and were all-inclusive rates, for which separate brokerage was not reflected. It was also stated that brokerage for a transaction for 24.90 lakhs would have been a negligible 2490 on one side. Besides this amount not being material a request was made by Subhash Maheshwari, who was a senior citizen and an opportunity was given to RRSPL to also invest in the shares.

96. The question as to whether the Roongtas acted as a principal or as an agent broker is worth consideration. I note that the MOU has already become a paper document without materialization of the transfer of shares to Subhash Maheshwari. I find that the Roongtas are emphatically holding out the said MOU against the allegation of it being involved in the capacity as the principal.

97. The points enumerated in the IR /SCN to state that RRSPL acted as a Principal are : i) movement of funds directly from RRSPL's account to the erstwhile promoters; ii) non-levy of brokerage for the transactions; iii) Roongtas served as the single point contact for the all the buyers who were interested in purchasing the shares of the Company.

98. As regards the fund movement, the IR/SCN has categorically brought out that the seller promoters received payment of Rs. 21, 21, 500 (85.54%) directly from RRSPL and Rs. 3,58,500 (14.46%) directly from the buyers. I find that there is no explanation whatsoever forthcoming from RRSPL in this respect.

Table-15

S N	Name of Entity	No. of shares transferred	Consideration (Rs.5 per share)	Amount of Consideration Received from RRSPL	Date when consideration received as per Bank statement
1	Embassy Finance & Consultants Pvt Ltd	1,22,500	6,12,500	6,12,500	12.10.2012
2	Tohee Trading & Agencies Pvt Ltd	1,21,200	6,06,000**	2,47,500	12.10.2012
3	Wave Inter Trades Pvt Ltd	1,24,000	6,20,000	6,20,000	12.10.2012
4	Vijay Kumar Jain	68,000	3,40,000	3,40,000	04.04.2012 & 18.04.2012
5	Ankit Jain	50,000	2,50,000	2,50,000	04.04.2012
6	Rashmi Jain	10,300	51,500	51,500	18.04.2012

Total	**4,96,000**	**24,80,000**	**21,21,500**	

** As per reply of Tohee Trading & Agencies Pvt Ltd, they received consideration of Rs. 3,58,500 (6,06,000 – 2,47,500) in cash from 15 entities directly on instructions of RRSPL.

99. It is further noted that RRSPL failed to show the fund flow from the buyers to its account, preceding the onward transfer to the seller-promoters. As regards, the non-levy of brokerage, the explanation that the issuance of contract notes was at an all-inclusive rate for which separate brokerage was not charged is not acceptable. I also note that the Company had no fundamentals or operations which made it appealing to RRSPL to invest, when it was suspended. The very fact that RRSPL itself invested in the subject shares shows that it was aware of the ensuing revocation of suspension and the opportunities that would follow thereafter. Annexure – 8 of the SCN apparently shows that RRSPL had identified the 15 buyers and recommended their names to the promoter sellers for transfer at Rs. 5 per share. Therefore, the contention of RRSPL that the rates were specified in the contract notes, as directed by Maheshwari, and that it was an all-inclusive rate is contradictory. The stand of RRSPL on the brokerage also contradicts with its own stand that it being a negligible amount, it was not levied. I find that RRSPL is not having any consistency in the stance taken in this regard. Added to these inconsistencies, I find that there are a whole set of receipts, bank deposit statements, other related disclosures filed by the erstwhile promoters which unambiguously bring out the role of Roongtas in the whole deal.

100. Thus, on an overall evaluation of the facts and circumstances related to the transfer of shares of Mishka from the promoter entities to the 452 investors, I am inclined to go

by preponderances which strongly point towards the Roongtas having a definite role in planting the fraudulent scheme in the securities market whereby a penny stock has been identified, activated (by removal of suspension, change of name /office etc.) and subsequently, transferred to several entities in the market. This part of the transaction initiating from the act of purchase of the promoter shares and spreading it out in the market, is itself per se manipulative and fraudulent. Subsequently, the Roongtas have also manipulated the price of the scrip, which is being dealt under the head Issue no. III. Certainty, I find that RRSPL has acted as a principal and not as a broker to the clients and misused its broker authorization to that extent. Accordingly, I hold that Noticee No. 8 and 9, who are directors of RRSPL have violated provisions of Regulations 3(a)(b)(c)(d) and 4(1) SEBI (PFUTP) Regulations, 2003. The monetary benefit garnered by the aforesaid Noticees is discussed hereunder.

III. Whether the trades of the 41 remaining Noticees (including Anil Roongta, Sudha Roongta and A K Roongta HUF) i.e. Noticee Nos. 8 to 16; 18 to 23; 27 to 28; 31 to 33; 35 to 46; 49 to 53; and 57 to 60 amounted to manipulation of price of the scrip in Patch-1 (14-Feb-13 to 15-Jan-14) and Patch-2 (16-Jan-14 to14-Feb-14) in terms of SEBI PFUTP Regulations?

101. It has been *inter alia* alleged in the SCN that the 53 Noticees i.e, all the Noticees except Noticee Nos. 1 to 7, indulged in acts that amounted to manipulation of price of the scrip in Patch-1 and Patch-2 periods. It has been further alleged in the SCN that of out of the 53 Noticees, 50 Noticees consequent to manipulation of price booked substantial profits by selling the shares at inflated prices.

102. As already stated in this order, allegations in the SCN against 12 Noticees have been settled by way of Settlement Order dated September 24, 2020. Accordingly, for the purpose of this order, the allegation of manipulation of price of the scrip in Patch-1 and Patch-2 periods is with respect to 41 Noticees (i.e., Noticee Nos. 8 to 16; 18 to 23; 27 to 28; 31 to 33; 35 to 46; 49 to 53; and 57 to 60). Further, the allegation of profit booking from the sale of the shares of Mishka at inflated prices is with respect to 38 Noticees i.e., Noticee Nos. 8 to 16; 18 to 23; 27 to 28; 31 to 33; 35 to 46; 49 to 53; and 57.

103. In this regard, the SCN has stated that during Patch-1, the price of the scrip opened at Rs.5.50 on February 14, 2013 and reached Rs.327.25 on January 15, 2014 and closed at Rs.327.25 on January 15, 2014, registering a price rise of Rs.321.75.

104. The trading data has revealed that during the period of price rise as stated above, the scrip was traded on 167 trading days and 222 trades took place. The details of analysis of LTP contribution has revealed that the 41 remaining Noticees in the matter, who received shares directly or indirectly from promoters and promoter related entities through RRSPL, traded in Patch-1 as sellers. From an analysis of the 166 trades that contributed Rs.321.85 to the gross positive LTP, it was observed that 130 trades were carried out by the abovementioned 41 Noticees as sellers, thereby contributing Rs.278.12 (i.e. 86.40%of gross positive LTP).

105. The details of the trades of the 41 Noticees are as follows:

Table-16 – Price Manipulation (LTP) in Patch-1

SN	Seller PAN	Seller Name	Net LTP			Positive LTP			Negative LTP			Zero LTP		% of +ve LTP to Total Market +ve LTP
			Net LTP	Total Qty	No of trades	+ve LTP	Total Qty	No of trades	-ve LTP	Total Qty	No of trades	Total Qty	No of trades	
1	AFZPT5149K	Tushar Ashok Thakur	21.9	31	8	21.9	31	8	-	-	-	-	-	6.80%
2	AKCPS7427B	Vikram Shah	21.2	35	8	21.2	35	8	-	-	-	-	-	6.59%
3	ABQPM1056P	Mehta Tejal Piyush	20.45	20	7	20.45	20	7	-	-	-	-	-	6.35%
4	CNAPS8962G	Asifatanveer Mohammadishaq Shaikh	19.45	34	7	19.45	34	7	-	-	-	-	-	6.04%
5	ATRPM4285D	Priyanka Pramod Mhapsekar	19.1	40	7	19.1	40	7	-	-	-	-	-	5.93%
6	AHXPM6863F	Kiritkumar Ramniklal Mehta	18.9	28	7	18.9	28	7	-	-	-	-	-	5.87%
7	AJFPR5740L	Mansi Manoj Rane	18.1	23	8	18.1	23	8	-	-	-	-	-	5.62%
8	BQFPS5917N	Omprakash Ramdev Shrma	17.15	26	8	17.15	24	7	-	-	-	2	1	5.33%
9	AMYPD3165F	Rakeshkumar Dixit Usha	16.7	40	6	16.7	40	6	-	-	-	-	-	5.19%
10	APPPB5638F	Manish Kumar Bhati	15.45	19	5	15.45	19	5	-	-	-	-	-	4.80%
11	BPXPS8075L	Ashish Ishwarlal Shah	15.25	25	5	15.25	25	5	-	-	-	-	-	4.74%
12	BAPPK2160M	Mukesh Kumar	14.55	21	5	14.55	21	5	-	-	-	-	-	4.52%
13	AZAPG1972C	Tejas Vasant Gala	14.4	16	6	14.4	16	6	-	-	-	-	-	4.47%
14	AAKPS3276J	Manharlal Narottamdas Shah	7.85	15	3	7.85	15	3	-	-	-	-	-	2.44%
15	AAKPS3275M	Chandravati Manharlal Shah	7	9	2	7	9	2	-	-	-	-	-	2.17%
16	AMHPM0156A	Ketan Jumakhlal Mehta	4.75	5	1	4.75	5	1	-	-	-	-	-	1.48%
17	AAGHV5661L	Vijay Kumar Soni (Huf)	1.9	3	2	1.9	3	2	-	-	-	-	-	0.59%
18	AAHPB4095P	Ritu Sandeep Saraf	1.8	4	3	1.8	4	3	-	-	-	-	-	0.56%
19	AAJPJ4245M	Kanta Balkishan Jaju	1.78	2	2	1.78	2	2	-	-	-	-	-	0.55%
20	ANQPS5905F	Sandeep Vishwanath Saraf	1.7	4	3	1.7	4	3	-	-	-	-	-	0.53%

SN	Seller PAN	Seller Name	Net LTP			Positive LTP			Negative LTP			Zero LTP		% of +ve LTP to Total Market +ve LTP
			Net LTP	Total Qty	No of trades	+ve LTP	Total Qty	No of trades	-ve LTP	Total Qty	No of trades	Total Qty	No of trades	
21	ABBPR3992G	Anil Roongta	1.66	6	3	1.66	6	3	-	-	-	-	-	0.52%
22	AFOPR0263B	Hem Raj Raneja	1.66	7	3	1.66	7	3	-	-	-	-	-	0.52%
23	AAAPD9261A	Pawankumar Motilal Darak	1.2	8	2	1.2	4	1	-	-	-	4	1	0.37%
24	AANPT7118D	Sunita Harish Toshniwal	1.15	3	1	1.15	3	1	-	-	-	-	-	0.36%
25	AELPP0173Q	Sorabh Kumar Poddar	1.1	1	1	1.1	1	1	-	-	-	-	-	0.34%
26	BNNPK9250R	Kavita Raneja	1.03	3	2	1.03	3	2	-	-	-	-	-	0.32%
27	AIUPR9150N	Anand Raneja	1	3	2	1	3	2	-	-	-	-	-	0.31%
28	AKKPP3508Q	Parul Poddar	1	2	1	1	2	1	-	-	-	-	-	0.31%
29	ASZPS1277J	Savita Soni	0.9	2	1	0.9	2	1	-	-	-	-	-	0.28%
30	AELPP0183N	Rupesh Kumar Poddar	0.79	2	1	0.79	2	1	-	-	-	-	-	0.25%
31	ANZPT6807C	Neha Narayan Toshniwal	0.75	3	1	0.75	3	1	-	-	-	-	-	0.23%
32	AYOPA2382B	Nikunj Sandeep Agarwal	0.65	72,750	51	0.75	5,000	1	-0.1	1,000	1	66,750	49	0.23%
33	ABGPJ9502P	Vinita Sanjay Joshi	0.75	5	1	0.75	5	1	-	-	-	-	-	0.23%
34	ABHPT5940L	Kiran Narayanprasad Toshniwal	0.65	4	1	0.65	4	1	-	-	-	-	-	0.20%
35	AGBPJ8881F	Sunayana Jain	0.65	3	1	0.65	3	1	-	-	-	-	-	0.20%
36	ABGPJ9472Q	Sanjay Ambadas Joshi	0.6	5	1	0.6	5	1	-	-	-	-	-	0.19%
37	AAAPW9319A	Megha Ravi Wattamwar	0.5	3	1	0.5	3	1	-	-	-	-	-	0.16%
38	AALHR3103E	Ravi B Wattamwar Huf	0.45	3	1	0.45	3	1	-	-	-	-	-	0.14%
39	AAQPR4466F	Sudha Anil Roongta	0.45	2	1	0.45	2	1	-	-	-	-	-	0.14%
40	ABYPJ9823B	Sainik Kumar Jain	0.34	2	1	0.34	2	1	-	-	-	-	-	0.11%
41	AABHA9528A	A K Roongta Huf	1.36	4	2	1.36	4	2	-	-	-	-	-	0.42%
41 Entities Total			278.02	73,221	182	278.12	5,465	130	-0.1	1,000	1	66,756	51	86.40%
Remaining			43.73	250	40	43.73	242	36	-	-	-	7	3	13.60%
Grand Total			321.75	73,471	222	321.85	5,707	166	-0.1	1,000	1	66,763	54	100.00%

106. In Patch-2 period, equity shares of the Company were split in the ratio of 10:1, with effect from January 16, 2014. Subsequently, the price of the scrip opened at Rs.33.35 on January 16, 2014 and reached Rs.49.90 on February 14, 2014 and closed at Rs.49.90 on the same day, registering a price rise of Rs.16.55.

107. It was seen from the trading data that during Patch-2, the scrip was traded on 22 trading days and 25 trades took place. The trading data revealed that 14 entities out of 41 Noticees traded in Patch-2 as sellers. With respect to the said 14 entities, from an analysis of LTP contribution, it was observed that 15 trades carried out by the aforesaid Noticees on the sell side contributed Rs.11.55 (i.e. 69.80% of gross positive LTP).

108. The details of the said trades are as follows:

Table-17 – Price Manipulation (LTP) – Patch 2

SN	Seller PAN	Seller Name	Net LTP			Positive LTP			Negative LTP			Zero LTP		% of +ve LTP to Total Market +ve LTP
			Net LTP	Total Qty	No of trades	Positive LTP	Total Qty	No of trades	-ve LTP	Total Qty	No of trades	Total Qty	No of trades	
1	AMHPM0156A	Ketan Jumakhlal Mehta	1.6	22	2	1.6	22	2	-	-	-	-	-	9.67%
2	AFZPT5149K	Tushar Ashok Thakur	0.95	9	1	0.95	9	1	-	-	-	-	-	5.74%
3	AKCPS7427B	Vikram Shah	0.9	15	1	0.9	15	1	-	-	-	-	-	5.44%

SN	Seller PAN	Seller Name	Net LTP			Positive LTP			Negative LTP			Zero LTP		% of +ve LTP to Total Market +ve LTP
			Net LTP	Total Qty	No of trades	Positive LTP	Total Qty	No of trades	-ve LTP	Total Qty	No of trades	Total Qty	No of trades	
4	CNAPS8962G	Asifatanveer Mohammadishaq Shaikh	0.85	15	1	0.85	15	1	-	-	-	-	-	5.14%
5	ATRPM4285D	Priyanka Pramod Mhapsekar	0.85	10	1	0.85	10	1	-	-	-	-	-	5.14%
6	AHXPM6863F	Kiritkumar Ramniklal Mehta	0.8	14	1	0.8	14	1	-	-	-	-	-	4.83%
7	BPXPS8075L	Ashish Ishwarlal Shah	0.75	5	1	0.75	5	1	-	-	-	-	-	4.53%
8	AMYPD3165F	Rakeshkumar Dixit Usha	0.75	15	1	0.75	15	1	-	-	-	-	-	4.53%
9	AAKPS3276J	Manharlal Narottamdas Shah	0.7	14	1	0.7	14	1	-	-	-	-	-	4.53%
10	APPPB5638F	Manish Kumar Bhati	0.7	12	1	0.7	12	1	-	-	-	-	-	4.23%
11	AJFPR5740L	Mansi Manoj Rane	0.7	12	1	0.7	12	1	-	-	-	-	-	4.23%
12	BQFPS5917N	Omprakash Ramdev Shrma	0.7	10	1	0.7	10	1	-	-	-	-	-	4.23%

SN	Seller PAN	Seller Name	Net LTP			Positive LTP			Negative LTP			Zero LTP		% of +ve LTP to Total Market +ve LTP
			Net LTP	Total Qty	No of trades	Positive LTP	Total Qty	No of trades	-ve LTP	Total Qty	No of trades	Total Qty	No of trades	
13	BAPPK2160M	Mukesh Kumar	0.65	20	1	0.65	20	1	-	-	-	-	-	4.23%
14	AZAPG1972C	Tejas Vasant Gala	0.65	15	1	0.65	15	1	-	-	-	-	-	3.93%
14 LTP Contributors Total			**11.55**	**188**	**15**	**11.55**	**188**	**15**	**-**	**-**	**-**	-	-	**69.80%**
Remaining			**5**	**101**	**10**	**5**	**77**	**6**	**-**	**-**	**-**	**24**	**4**	**30.20%**
Grand Total			**16.55**	**289**	**25**	**16.55**	**265**	**21**	**-**	**-**	**-**	**24**	**4**	**100.00%**

Sell Side Manipulation

109. In respect of the trades carried out by the 41 Noticees in Patch-1, it has been alleged in the SCN that though the buy orders were available for large quantities (ranging from 10 to 10,000 shares), the said 41 Noticees were placing sell orders in small quantities or single digits i.e., mostly 1 to 10 shares. In this regard, it would be relevant to place hereunder the details of the sell orders placed by the 41 Noticees and the existing buy orders in the system at the time of such sell orders.

Table-18- Price Manipulation (Sell Side)- Patch 1

Trade Date	Seller PAN	Seller Name	Sell order volume	Buy order volume	LTP Contribution (In Rs.)	No. of shares held before trade	Balance No of shares after trade
13/09/2013	AAAPD9261A	PAWANKUMAR MOTILAL DARAK	4	2,500	1.2	100	96
		Total	**4**	**2,500**	**1.2**		
25/06/2013	AAAPW9319A	MEGHA RAVI WATTAMWAR	3	5,000	0.5	4,000	3,997
		Total	**3**	**5,000**	**0.5**		
03/06/2013	AAGHV5661L	VIJAY KUMAR SONI (HUF)	2	5,000	0.85	4,800	4,798
10/06/2013	AAGHV5661L	VIJAY KUMAR SONI (HUF)	1	5,000	1.05	4,798	4,797
		Total	**3**	**10,000**	**1.9**		
04/07/2013	AAHPB4095P	RITU SANDEEP SARAF	2	5,000	0.55	4,000	3,998
11/07/2013	AAHPB4095P	RITU SANDEEP SARAF	1	5,000	0.6	3,998	3,997
17/07/2013	AAHPB4095P	RITU SANDEEP SARAF	1	5,000	0.65	3,997	3,996
		Total	**4**	**15,000**	**1.8**		
30/05/2013	AAJPJ4245M	KANTA BALKISHAN JAJU	1	5,000	0.83	4,000	3,999
05/06/2013	AAJPJ4245M	KANTA BALKISHAN JAJU	1	5,000	0.95	3,999	3,998
		Total	**2**	**10,000**	**1.78**		
24/10/2013	AAKPS3275M	CHANDRAVATI MANHARLAL SHAH	5	2,500	2.05	50	45
27/12/2013	AAKPS3275M	CHANDRAVATI MANHARLAL SHAH	4	2,500	4.95	45	41
		Total	**9**	**5,000**	**7**		
26/09/2013	AAKPS3276J	MANHARLAL NAROTTAMDAS SHAH	4	2,500	1.45	50	46
18/11/2013	AAKPS3276J	MANHARLAL NAROTTAMDAS SHAH	6	2,500	2.85	46	40
03/12/2013	AAKPS3276J	MANHARLAL NAROTTAMDAS SHAH	5	2,500	3.55	40	35
		Total	**15**	**7,500**	**7.85**		
21/06/2013	AALHR3103E	RAVI B WATTAMWAR HUF	3	5,000	0.45	4,000	3,997
		Total	**3**	**5,000**	**0.45**		

Trade Date	Seller PAN	Seller Name	Sell order volume	Buy order volume	LTP Contribution (In Rs.)	No. of shares held before trade	Balance No of shares after trade
11/09/2013	AANPT7118D	SUNITA HARISH TOSHNIWAL	3	2,500	1.15	100	97
		Total	**3**	**2,500**	**1.15**		
14/06/2013	AAQPR4466F	SUDHA ANIL ROONGTA	2	5,000	0.45	20,000	19,998
		Total	**2**	**5,000**	**0.45**		
12/04/2013	ABBPR3992G	ANIL ROONGTA	2	900	0.36	49,600	49,598
09/07/2013	ABBPR3992G	ANIL ROONGTA	2	5,000	0.55	Broker (Roongta) confirmed that these trades were settled as per Exchange Auction/Close out Norms	
31/07/2013	ABBPR3992G	ANIL ROONGTA	2	5,000	0.75		
		Total	**6**	**10,900**	**1.66**		
16/07/2013	ABGPJ9472Q	SANJAY AMBADAS JOSHI	5	5,000	0.6	8,000	7,995
		Total	**5**	**5,000**	**0.6**		
29/07/2013	ABGPJ9502P	VINITA SANJAY JOSHI	5	5,000	0.75	8,000	7,995
		Total	**5**	**5,000**	**0.75**		
18/07/2013	ABHPT5940L	KIRAN NARAYANPRASAD TOSHNIWAL	4	5,000	0.65	4,800	4,796
		Total	**4**	**5,000**	**0.65**		
27/08/2013	ABQPM1056P	MEHTA TEJAL PIYUSH	3	5,000	0.95	50	47
16/09/2013	ABQPM1056P	MEHTA TEJAL PIYUSH	2	2,500	1.25	47	45
10/10/2013	ABQPM1056P	MEHTA TEJAL PIYUSH	3	1,000	1.75	45	42
01/11/2013	ABQPM1056P	MEHTA TEJAL PIYUSH	5	2,500	2.35	42	37
26/11/2013	ABQPM1056P	MEHTA TEJAL PIYUSH	3	2,500	3.2	37	34
20/12/2013	ABQPM1056P	MEHTA TEJAL PIYUSH	2	2,500	4.55	34	32
15/01/2014	ABQPM1056P	MEHTA TEJAL PIYUSH	2	15	6.4	32	30
		Total	**20**	**16,015**	**20.45**		
09/04/2013	ABYPJ9823B	SAINIK KUMAR JAIN	2	10,000	0.34	4,000	3,998

Trade Date	Seller PAN	Seller Name	Sell order volume	Buy order volume	LTP Contribution (In Rs.)	No. of shares held before trade	Balance No of shares after trade
		Total	**2**	**10,000**	**0.34**		
11/06/2013	AELPP0173Q	SORABH KUMAR PODDAR	1	5,000	1.1	12,000	11,999
		Total	**1**	**5,000**	**1.1**		
29/05/2013	AELPP0183N	RUPESH KUMAR PODDAR	2	5,000	0.79	28,000	27,998
		Total	**2**	**5,000**	**0.79**		
04/04/2013	AFOPR0263B	HEM RAJ RANEJA	2	5,000	0.31	12,000	11,998
23/07/2013	AFOPR0263B	HEM RAJ RANEJA	1	5,000	0.65	11,998	11,997
26/07/2013	AFOPR0263B	HEM RAJ RANEJA	4	5,000	0.7	11,997	11,993
		Total	**7**	**15,000**	**1.66**		
20/08/2013	AFZPT5149K	TUSHAR ASHOK THAKUR	1	5,000	0.85	50	49
03/09/2013	AFZPT5149K	TUSHAR ASHOK THAKUR	4	3,000	1.05	49	45
03/10/2013	AFZPT5149K	TUSHAR ASHOK THAKUR	2	2,500	1.55	45	43
15/10/2013	AFZPT5149K	TUSHAR ASHOK THAKUR	3	2,500	1.85	43	40
06/11/2013	AFZPT5149K	TUSHAR ASHOK THAKUR	2	2,500	2.45	40	38
29/11/2013	AFZPT5149K	TUSHAR ASHOK THAKUR	9	2,500	3.4	38	29
19/12/2013	AFZPT5149K	TUSHAR ASHOK THAKUR	4	2,500	4.5	29	25
14/01/2014	AFZPT5149K	TUSHAR ASHOK THAKUR	6	100	6.25	25	19
		Total	**31**	**20,600**	**21.9**		
22/07/2013	AGBPJ8881F	SUNAYANA JAIN	3	5,000	0.65	4,000	3,997
		Total	**3**	**5,000**	**0.65**		
23/08/2013	AHXPM6863F	KIRITKUMAR RAMNIKLAL MEHTA	3	5,000	0.9	50	47
06/09/2013	AHXPM6863F	KIRITKUMAR RAMNIKLAL MEHTA	2	989	1.1	47	45
07/10/2013	AHXPM6863F	KIRITKUMAR RAMNIKLAL MEHTA	3	2,500	1.65	45	42
30/10/2013	AHXPM6863F	KIRITKUMAR RAMNIKLAL MEHTA	6	2,500	2.25	42	36

Trade Date	Seller PAN	Seller Name	Sell order volume	Buy order volume	LTP Contribution (In Rs.)	No. of shares held before trade	Balance No of shares after trade
22/11/2013	AHXPM6863F	KIRITKUMAR RAMNIKLAL MEHTA	2	2,500	3.05	36	34
13/12/2013	AHXPM6863F	KIRITKUMAR RAMNIKLAL MEHTA	4	2,500	4.15	34	30
08/01/2014	AHXPM6863F	KIRITKUMAR RAMNIKLAL MEHTA	8	2,500	5.8	30	22
		Total	**28**	**18,489**	**18.9**		
03/04/2013	AIUPR9150N	ANAND RANEJA	2	5,000	0.3	12.000	11,998
24/07/2013	AIUPR9150N	ANAND RANEJA	1	5,000	0.7	11,998	11,997
		Total	**3**	**10,000**	**1**		
29/08/2013	AJFPR5740L	MANSI MANOJ RANE	2	2,500	1	50	48
05/09/2013	AJFPR5740L	MANSI MANOJ RANE	2	2,500	1.1	48	46
12/09/2013	AJFPR5740L	MANSI MANOJ RANE	2	2,500	1.2	46	44
25/09/2013	AJFPR5740L	MANSI MANOJ RANE	3	2,500	1.4	44	41
21/10/2013	AJFPR5740L	MANSI MANOJ RANE	2	2,500	1.95	41	39
12/11/2013	AJFPR5740L	MANSI MANOJ RANE	3	2,500	2.65	39	36
05/12/2013	AJFPR5740L	MANSI MANOJ RANE	7	2,500	3.65	36	29
31/12/2013	AJFPR5740L	MANSI MANOJ RANE	2	2,500	5.15	29	27
		Total	**23**	**20,000**	**18.1**		
16/08/2013	AKCPS7427B	VIKRAM SHAH	2	5,000	0.85	50	48
22/08/2013	AKCPS7427B	VIKRAM SHAH	3	5,000	0.9	48	45
20/09/2013	AKCPS7427B	VIKRAM SHAH	4	2,500	1.35	45	41
14/10/2013	AKCPS7427B	VIKRAM SHAH	6	2,500	1.8	41	35
05/11/2013	AKCPS7427B	VIKRAM SHAH	5	2,500	2.4	35	30
28/11/2013	AKCPS7427B	VIKRAM SHAH	5	2,500	3.35	30	25
18/12/2013	AKCPS7427B	VIKRAM SHAH	6	2,500	4.4	25	19
13/01/2014	AKCPS7427B	VIKRAM SHAH	4	10	6.15	19	15
		Total	**35**	**22,510**	**21.2**		
06/06/2013	AKKPP3508Q	PARUL PODDAR	2	5,000	1	30,400	30,398
		Total	**2**	**5,000**	**1**		
24/12/2013	AMHPM0156A	KETAN JUMAKHLAL MEHTA	5	2,500	4.75	50	45
		Total	**5**	**2,500**	**4.75**		

Trade Date	Seller PAN	Seller Name	Sell order volume	Buy order volume	LTP Contribution (In Rs.)	No. of shares held before trade	Balance No of shares after trade
26/08/2013	AMYPD3165F	RAKESHKUMAR DIXIT USHA	5	5,000	0.95	50	45
10/09/2013	AMYPD3165F	RAKESHKUMAR DIXIT USHA	5	3,000	1.15	45	40
28/10/2013	AMYPD3165F	RAKESHKUMAR DIXIT USHA	6	2,500	2.15	40	34
20/11/2013	AMYPD3165F	RAKESHKUMAR DIXIT USHA	9	2,500	2.95	34	25
11/12/2013	AMYPD3165F	RAKESHKUMAR DIXIT USHA	5	2,500	3.95	25	20
06/01/2014	AMYPD3165F	RAKESHKUMAR DIXIT USHA	10	2,500	5.55	20	10
		Total	**40**	**18,000**	**16.7**		
05/07/2013	ANQPS5905F	SANDEEP VISHWANATH SARAF	2	5,000	0.55	3,500	3,498
10/07/2013	ANQPS5905F	SANDEEP VISHWANATH SARAF	1	5,000	0.55	3,498	3,497
15/07/2013	ANQPS5905F	SANDEEP VISHWANATH SARAF	1	5,000	0.6	3,497	3,496
		Total	**4**	**15,000**	**1.7**		
30/07/2013	ANZPT6807C	NEHA NARAYAN TOSHNIWAL	3	5,000	0.75	8,000	7,997
		Total	**3**	**5,000**	**0.75**		
01/10/2013	APPPB5638F	MANISH KUMAR BHATI	3	2,500	1.55	50	47
23/10/2013	APPPB5638F	MANISH KUMAR BHATI	4	2,500	2.05	47	43
13/11/2013	APPPB5638F	MANISH KUMAR BHATI	2	2,500	2.75	43	41
06/12/2013	APPPB5638F	MANISH KUMAR BHATI	6	2,500	3.75	41	35
02/01/2014	APPPB5638F	MANISH KUMAR BHATI	4	2,500	5.35	35	31
		Total	**19**	**12,500**	**15.45**		
04/06/2013	ASZPS1277J	SAVITA SONI	2	5,000	0.9	9,600	9,598
		Total	**2**	**5,000**	**0.9**		
21/08/2013	ATRPM4285D	PRIYANKA PRAMOD MHAPSEKAR	4	5,000	0.9	50	46
04/09/2013	ATRPM4285D	PRIYANKA PRAMOD MHAPSEKAR	6	995	1.1	46	40

Trade Date	Seller PAN	Seller Name	Sell order volume	Buy order volume	LTP Contribution (In Rs.)	No. of shares held before trade	Balance No of shares after trade
04/10/2013	ATRPM4285D	PRIYANKA PRAMOD MHAPSEKAR	5	2,500	1.6	40	35
29/10/2013	ATRPM4285D	PRIYANKA PRAMOD MHAPSEKAR	5	2,500	2.2	35	30
21/11/2013	ATRPM4285D	PRIYANKA PRAMOD MHAPSEKAR	10	10	3	30	20
17/12/2013	ATRPM4285D	PRIYANKA PRAMOD MHAPSEKAR	5	2,500	4.3	20	15
10/01/2014	ATRPM4285D	PRIYANKA PRAMOD MHAPSEKAR	5	2,500	6	15	10
		Total	**40**	**16,005**	**19.1**		
01/08/2013	AYOPA2382B	NIKUNJ S AGARWAL	12,500	5,000	0.75		
		Total	**12,500**	**5,000**	**0.75**		
02/09/2013	AZAPG1972C	TEJAS VASANT GALA	3	1,000	1.05	50	47
19/09/2013	AZAPG1972C	TEJAS VASANT GALA	2	2,500	1.3	47	45
11/10/2013	AZAPG1972C	TEJAS VASANT GALA	2	2,500	1.75	45	43
03/11/2013	AZAPG1972C	TEJAS VASANT GALA	3	500	2.4	43	40
27/11/2013	AZAPG1972C	TEJAS VASANT GALA	3	2,500	3.25	40	37
23/12/2013	AZAPG1972C	TEJAS VASANT GALA	3	2,500	4.65	37	34
		Total	**16**	**11,500**	**14.4**		
24/09/2013	BAPPK2160M	MUKESH KUMAR	2	2,500	1.4	50	48
18/10/2013	BAPPK2160M	MUKESH KUMAR	3	2,500	1.9	48	45
11/11/2013	BAPPK2160M	MUKESH KUMAR	5	2,500	2.6	45	40
04/12/2013	BAPPK2160M	MUKESH KUMAR	8	25	3.6	40	32
30/12/2013	BAPPK2160M	MUKESH KUMAR	3	2,500	5.05	32	29
		Total	**21**	**10,025**	**14.55**		
08/04/2013	BNNPK9250R	KAVITA RANEJA	2	900	0.33	8,000	7,998
25/07/2013	BNNPK9250R	KAVITA RANEJA	1	5,000	0.7	7,998	7,997
		Total	**3**	**5,900**	**1.03**		
18/09/2013	BPXPS8075L	ASHISH ISHWARLAL SHAH	5	100	1.3	50	45
09/10/2013	BPXPS8075L	ASHISH ISHWARLAL SHAH	6	2,500	1.7	45	39
07/11/2013	BPXPS8075L	ASHISH ISHWARLAL SHAH	9	2,500	2.5	39	30

Trade Date	Seller PAN	Seller Name	Sell order volume	Buy order volume	LTP Contribution (In Rs.)	No. of shares held before trade	Balance No of shares after trade
12/12/2013	BPXPS8075L	ASHISH ISHWARLAL SHAH	2	500	4.05	30	28
07/01/2014	BPXPS8075L	ASHISH ISHWARLAL SHAH	3	2,500	5.7	28	25
		Total	**25**	**8,100**	**15.25**		
19/08/2013	BQFPS5917N	OMPRAKASH RAMDEV SHARMA	2	2,500	0.85	50	48
28/08/2013	BQFPS5917N	OMPRAKASH RAMDEV SHARMA	2	5,000	0.95	48	46
27/09/2013	BQFPS5917N	OMPRAKASH RAMDEV SHARMA	2	2,500	1.5	44	42
22/10/2013	BQFPS5917N	OMPRAKASH RAMDEV SHARMA	4	200	2	42	38
14/11/2013	BQFPS5917N	OMPRAKASH RAMDEV SHARMA	3	2,500	2.8	38	35
09/12/2013	BQFPS5917N	OMPRAKASH RAMDEV SHARMA	5	2,500	3.8	35	30
01/01/2014	BQFPS5917N	OMPRAKASH RAMDEV SHARMA	6	2,500	5.25	30	24
		Total	**24**	**17,700**	**17.15**		
30/08/2013	CNAPS8962G	ASIFATANVEER MOHAMMADISHAQ SHAIKH	4	2,500	1	50	46
17/09/2013	CNAPS8962G	ASIFATANVEER MOHAMMADISHAQ SHAIKH	3	2,500	1.25	46	43
08/10/2013	CNAPS8962G	ASIFATANVEER MOHAMMADISHAQ SHAIKH	5	2,500	1.65	43	38
31/10/2013	CNAPS8962G	ASIFATANVEER MOHAMMADISHAQ SHAIKH	8	2,500	2.3	38	30
25/11/2013	CNAPS8962G	ASIFATANVEER MOHAMMADISHAQ SHAIKH	4	2,500	3.15	30	26
16/12/2013	CNAPS8962G	ASIFATANVEER MOHAMMADISHAQ SHAIKH	3	2,500	4.2	26	23
09/01/2014	CNAPS8962G	ASIFATANVEER MOHAMMADISHAQ SHAIKH	7	25	5.9	23	16
		Total	**34**	**15,025**	**19.45**		

Trade Date	Seller PAN	Seller Name	Sell order volume	Buy order volume	LTP Contribution (In Rs.)	No. of shares held before trade	Balance No of shares after trade
13/05/2013	AABHA9528A	A K ROONGTA HUF	2	10,000	0.56	20,000	19,998
14/08/2013	AABHA9528A	A K ROONGTA HUF	2	5,000	080	Broker (Roongta) confirmed that this trade was settled as per Exchange Auction /Close out Norms	
		Total	**4**	**15,000**	**1.36**		
		Grand Total	**12,965**	**408269**	**278.12**		

110. Similarly, in respect of the trades carried out by the 14 entities in Patch-2, though the buy orders were available for large quantities (ranging from 28 to 1,000 shares), it has been alleged in the SCN that the 14 entities placed sell orders in small quantities i.e., mostly 5 to 20 shares. For e.g. one entity viz. Ketan Mehta placed sell orders of 10 and 12 shares on two trading days while the buy orders were available for 1,000 shares and 60 shares respectively. In this regard, it would be relevant to place hereunder the details of the sell orders placed by the 14 Noticees and the existing buy orders in the system at the time of such sell orders.

Table-19- Price Manipulation (Sell Side) – Patch 2

Trade Date	Seller PAN	Seller Name	Sell order volume	Buy order volume	LTP Contribution (In Rs.)	No. of shares held before trade	Balance No of shares after trade
27/01/2014	AAKPS3276J	MANHARLAL NAROTTAMDAS SHAH	14	28	0.7	350	336
		Total	**14**	**28**	**0.7**		
13/02/2014	AFZPT5149K	TUSHAR ASHOK THAKUR	9	500	0.95	190	181
		Total	**9**	**500**	**0.95**		
03/02/2014	AHXPM6863F	KIRITKUMAR RAMNIKLAL MEHTA	14	500	0.8	220	206
		Total	**14**	**500**	**0.8**		
22/01/2014	AJFPR5740L	MANSI MANOJ RANE	12	115	0.7	270	258
		Total	**12**	**115**	**0.7**		
12/02/2014	AKCPS7427B	VIKRAM SHAH	15	500	0.9	150	135
		Total	**15**	**500**	**0.9**		
17/01/2014	AMHPM0156A	KETAN JUMAKHLAL MEHTA	10	1,000	0.65	450	440
14/02/2014	AMHPM0156A	KETAN JUMAKHLAL MEHTA	12	60	0.95	440	428
		Total	**22**	**1,060**	**1.6**		
29/01/2014	AMYPD3165F	RAKESHKUMAR DIXIT USHA	15	125	0.75	100	85
		Total	**15**	**125**	**0.75**		
24/01/2014	APPPB5638F	MANISH KUMAR BHATI	12	28	0.7	310	298
		Total	**12**	**28**	**0.7**		
07/02/2014	ATRPM4285D	PRIYANKA PRAMOD MHAPSEKAR	10	200	0.85	100	90
		Total	**10**	**200**	**0.85**		

Trade Date	Seller PAN	Seller Name	Sell order volume	Buy order volume	LTP Contribution (In Rs.)	No. of shares held before trade	Balance No of shares after trade
21/01/2014	AZAPG1972C	TEJAS VASANT GALA	15	100	0.65	340	325
		Total	**15**	**100**	**0.65**		
20/01/2014	BAPPK2160M	MUKESH KUMAR	20	500	0.65	290	270
		Total	**20**	**500**	**0.65**		
30/01/2014	BPXPS8075L	ASHISH ISHWARLAL SHAH	5	100	0.75	250	245
		Total	**5**	**100**	**0.75**		
23/01/2014	BQFPS5917N	OMPRAKASH RAMDEV SHARMA	10	600	0.7	240	230
		Total	**10**	**600**	**0.7**		
06/02/2014	CNAPS8962G	ASIFATANVEER MOHAMMADISHAQ SHAIKH	15	30	0.85	160	145
		Total	**15**	**30**	**0.85**		
		Grand Total	**188**	**4,386**	**11.55**		

111. Accordingly, the SCN has alleged that from the trading pattern of the 41 Noticees, it is seen that the said entities were not acting as genuine sellers; had no bona-fide intention of selling shares; and by releasing very small quantities in each transaction the 41 entities were instrumental in increasing the scrip price.

Profit Booking

112. As already stated, the SCN has also alleged that of the said 41Noticees, 38 Noticees consequent to the manipulation of price, booked substantial profits by selling the shares

at inflated prices during the period February 17, 2014 to December 31, 2014. The details with respect to the sale of shares by the 38 Noticees is provided hereunder:

Table - 20

S N	Name of Price Manipulator	PAN	Buy Qty.	Sell Qty.	Sell Value	Average Sell Price
1	Anil Roongta	ABBPR3992G	-	4,95,980	2,60,61,788.10	52.55
2	Parul Poddar	AKKPP3508Q	-	3,03,980	1,53,23,564.70	50.41
3	Rupesh Kumar Poddar	AELPP0183N	-	2,79,980	1,44,86,619.90	51.74
4	A K Roongta Huf	AABHA9528A	-	1,99,980	1,01,92,877.90	50.97
5	Sudha Anil Roongta	AAQPR4466F	-	1,99,980	1,01,18,688.00	50.6
6	Sorabh Kumar Poddar	AELPP0173Q	-	1,19,990	66,12,215.00	55.11
7	Anand Raneja	AIUPR9150N	-	1,19,970	66,19,929.00	55.18
8	Hem Raj Raneja	AFOPR0263B	-	1,19,930	59,98,879.00	50.02
9	Savita Soni	ASZPS1277J	-	95,980	48,09,286.80	50.11
10	Neha Narayan Toshniwal	ANZPT6807C	-	79,970	42,38,191.00	53
11	Kavita Raneja	BNNPK9250R	-	79,970	43,98,583.00	55
12	Sanjay Ambadas Joshi	ABGPJ9472Q	-	79,950	40,42,087.50	50.56
13	Vinita Sanjay Joshi	ABGPJ9502P	-	79,950	40,27,837.50	50.38
14	Vijay Kumar Soni (Huf)	AAGHV5661L	-	47,970	24,00,103.00	50.03
15	Kiran Narayanprasad Toshniwal	ABHPT5940L	-	47,960	24,69,217.50	51.48
16	Kanta Balkishan Jaju	AAJPJ4245M	-	39,980	20,08,750.00	50.24
17	Sainik Kumar Jain	ABYPJ9823B	-	39,980	20,00,070.50	50.03
18	Megha Ravi Wattamwar	AAAPW9319A	-	39,970	20,22,482.00	50.6
19	Ravi B Wattamwar Huf	AALHR3103E	-	39,970	20,08,692.50	50.26
20	Sunayana Jain	AGBPJ8881F	-	39,970	21,95,531.00	54.93
21	Ritu Sandeep Saraf	AAHPB4095P	-	39,960	22,04,946.50	55.18
22	Sandeep Vishwanath Saraf	ANQPS5905F	-	34,960	19,28,044.00	55.15
23	Sunita Harish Toshniwal	AANPT7118D	-	970	53,398.50	55.05
24	Pawankumar Motilal Darak	AAAPD9261A	-	960	47,760.00	49.75
25	Ketan Jumakhlal Mehta	AMHPM0156A	-	428	23,540.00	55
26	Tejas Vasant Gala	AZAPG1972C	-	325	17,907.50	55.1
27	Mehta Tejal Piyush	ABQPM1056P	-	300	16,530.00	55.1
28	Manish Kumar Bhati	APPPB5638F	-	298	16,390.00	55
29	Mukesh Kumar	BAPPK2160M	-	270	14,823.00	54.9

S N	Name of Price Manipulator	PAN	Buy Qty.	Sell Qty.	Sell Value	Average Sell Price
30	Ashish Ishwarlal Shah	BPXPS8075L	-	245	13,475.00	55
31	Omprakash Ramdev Shrma	BQFPS5917N	-	230	12,661.50	55.05
32	Kiritkumar Ramniklal Mehta	AHXPM6863F	-	206	11,360.90	55.15
33	Tushar Ashok Thakur	AFZPT5149K	-	181	9,955.00	55
34	Asifatanveer Mohammadishaq Shaikh	CNAPS8962G	-	145	7,989.50	55.1
35	Vikram Shah	AKCPS7427B	-	135	7,425.00	55
36	Mansi Manoj Rane	AJFPR5740L	-	130	7,163.00	55.1
37	Priyanka Pramod Mhapsekar	ATRPM4285D	-	90	4,729.50	52.55
38	Rakeshkumar Dixit Usha	AMYPD3165F	-	85	4,683.50	55.1

113.Noticee Nos. 8, 9 and 12 i.e. Anil Satyanarayan Roongta, Sudha Anil Roongta and AK Roontga HUF have in their reply submitted that during Patch 1, the price of the scrip went up from Rs. 5.50 to Rs. 327.50, registering a price rise of Rs. 321.75 i.e., in a span of 11 months. The net contribution of the Noticees to increase in the LTP was Rs. 3.47 out of the total increase of Rs. 321.75, i.e., 1.08% of the total increase during Patch- 1. The buyers trading in the scrip had already placed buy orders on the upper circuit limit, the present Noticees could not have sold shares at a lower price even if they so desired, as the scrip had hit the upper circuit. Therefore, merely placing an order at a price different from the LTP cannot amount to a market manipulation. A seller wishes to sell his shares at the highest price and the buyer wishes to purchase at the lowest price. In this respect, the Noticees have placed reliance on the Hon'ble Securities Appellate Tribunal Order in the case of Vikas Bengani, wherein SAT had held that for "*manipulation collusion between the buyer and the seller is necessary*". The present Noticees are in no manner connected or related either by blood or otherwise to any other of the entities in the SCN. Further, the Noticees have stated that selling shares in smaller

quantities is a regular trading strategy employed in the securities market. Furthermore, buyers who purchased either from the market, through RRSPL or were allotted shares under preferential allotment also sold shares at higher prices but they have not been asked to show cause, while the Noticees have been.

114. It is evident from the replies of other Noticees i.e. Noticee Nos. 10, 11, 13 to 16,18 to 23, 27 to 28, 31 to 33, 35 to 46, 49 and 51 to 53, as summarised in paragraphs 21 to 51 of this Order, that the grounds put forth by them are similar to the arguments put forth by Noticee Nos. 8, 9 and 12. Accordingly, the same are not being reiterated here.

115. As already stated, trading in the scrip of Mishka was suspended from January 07, 2002 to May 09, 2012 on account of non-payment of listing fees. The suspension of trading in the securities of the scrip was revoked w.e.f. May 10, 2012. Consequent to such revocation of suspension, trading in the scrip ensued. Thereafter, a corporate announcement was made by Mishka on January 28, 2013 to BSE, that the company had decided to issue bonus shares in the ratio of 7:1, i.e. 7 (Seven) new equity shares of the face value of Rs.10/- credited as fully paid up for every 1 (One) existing equity shares of the face value of Rs.10/- held by its members. Consequent to the said decision to issue bonus shares, a corporate announcement was made by Mishka on February 07, 2013 to the BSE, informing the BSE that its Board of Directors had accorded "*the allotment of 90,41,900 Equity Shares of* Rs.*10/- each aggregating* Rs.*9,04,19,000/- as fully paid Bonus Shares, to the shareholders of the Company whose names appears in the Register of Members as on record date i.e. February 06, 2013*". Accordingly, by way of BSE Notice No. 20130218-3 dated February 18, 2013, the 90,41,900 bonus equity shares issued by Mishka were listed and permitted to trade with effect from February 19, 2013.

Subsequent to the issuance of bonus equity shares by Mishka, by way of corporate announcement to BSE dated December 30, 2013, the Company announced its decision to split one share of face value Rs.10 into ten shares of face value Rs.1 each.

116. It is reiterated that the 41 Noticees came to acquire the shares of Mishka in off-market transactions from/through RRSPL. These shares had been acquired by RRSPL from the promoters of the Company in similar off-market transactions. These shares of Mishka acquired by the 41 Noticees were subsequently sold by them in the market.

117. In this background and based on the price volume movement, the investigation period was divided into four patches, namely **Patch-1** (14-Feb-13 to 15-Jan-14), **Patch-2** (16-Jan-14 to14-Feb-14), **Patch- 3** (15-Feb-14 to 10-Sep-14) and **Patch-4** (11-Sep-14 to 31-Dec-14).

118. It is gathered from the trades carried out by the 41 Noticees in Patch-1, and 14 entities out of the said 41 entities in Patch-2 had adopted the strategy of placing multiple sell orders in miniscule number of shares over a number of days, so as to sustain the high trading price of the scrip in the market. It is true that there is no one-to-one relationship between the parties to the trade or an identifiable connection between the buyers so as to treat them as a group. However, the seller group identification is strong from the angle of procurement from a common source (i.e. the Roongtas or RRSPL) and from the post acquisition sell strategy uniformly adopted by them, as seen from the Tables above. It is reiterated that the sellers now were the buyers earlier and the current group of buyers placing orders on the market may not necessarily be aware of the game played behind the screen. It is a matter of fact that the market in the scrip was totally skewed by the sellers. Further the sellers created a market for the scrip and consciously

endeavoured to sustain the market up. It is in this background that the present examination of the sell orders involving a small number of shares by the said 41 entities is being carried out.

119. In this respect, the rationale put forth by the said Noticees in placing such a small number of sell orders involving a small number of shares is that this was done to gauge or assess the demand for the shares of Mishka in the market, and it was part of their trading strategy. This rationale, does not stand in view of the said Noticees' own assertion that there were pre-existing buy orders above LTP, before they placed the sell orders. Since, there were pre-existing buys orders, the said Noticees by seeing the buy orders could have gauged the demand in the market. There was really no need to actually sell the shares to gauge demand. Therefore, this rationale that the sell orders involving a small number of shares placed by the said Noticees, in my view, is not convincing at all. It is stated that all the 41 entities had received shares either from RRSPL or through RRSPL. The entities had also enclosed the same copies of the advertisement, and the said copies contained four inverted commas and same handwritten phrase on it. Thus, the group of 41 entities was working together with a common objective of manipulating the price of the scrip.

120. Further, a perusal of Table 18 of this Order, which relates to Patch-1 shows that sell orders for 12,965 shares were placed by the 41 Noticees in response to a total buy order quantity of 4,08, 269 shares, which were in the system. Similarly, a perusal of Table 19 of this Order, which relates to Patch-2, shows that sell orders for 188 shares were placed by 14 out of the 41 Noticees in response to a total buy order quantity of 4, 386 shares, which were in the system. The above mentioned tables also show that the 41

Noticees held a considerable number of shares, and as such had control over the supply of the shares of Mishka in the market. Since, the said Noticees controlled the supply of shares in the market, they were successful in pushing the price of the scrip by curtailing the supply of shares in the market. Consequently, the same set of Noticees (38 out of the 41), sold the shares at an average sell price of anywhere between Rs. 50 to 55 to book profits. It cannot be a mere coincidence that the same set of people who sold small number of shares, subsequently also happened to sell the shares at an inflated price. Thus, from the above circumstances, the only reasonable conclusion that can be drawn is that the said Noticees, with the common intent of artificially inflating the price, sold shares in small quantities, and consequent to such appreciation, off-loaded a substantial number of shares when they believed that the price of the share was high enough for them to book profits.

121. Also, it has been stated by the said Noticees that they had bought the shares, which were ultimately sold by them, for the purpose of investment. However, if one looks at the Company, it would be evident that the Company did not present a very lucrative investment opportunity. The trading in the scrip of Mishka was suspended from January 07, 2002 to May 09, 2012. In this respect it is stated that as on September 30, 2011, Mishka had only 7 shareholders (5 under promoters and 2 under public shareholder categories). Thereafter, the aforesaid 7 shareholders transferred a total of 4,96,000 shares during the period from December 11, 2011 to February 05, 2013. It is in this period that most of the above mentioned Noticees also bought shares. Also, from the Annual Reports of Mishka for FY 2011-12 and FY 2012-2013, it was observed that it had incurred a loss of Rs. 12 Lakh during FY 2011-12 and earned a

profit of ₹12 Lakh during FY 2012-13. Further, from the Annual Report of Mishka for FY 2012-2013, it is observed that for FY ended 2012 the earning per share ("**EPS**") of Mishka was Rs. -2.4 and for the FY ended March 31, 2013, EPS was Rs. 0.12. It is evident that there was hardly any financial sense to 'invest' in the shares of Mishka. Therefore, I find the assertion on the part of the said Noticees that they had bought the shares, which were ultimately sold by them, for the purpose of investment is not convincing enough.

122. I note that that the said Noticees have relied on the order of the Hon'ble SAT in the matter of *Vikas Ganeshmal Bengani vs Whole Time Member, SEBI (Appeal No. 225 of 2009 decided on February 25, 2010)* and other cases to claim that in the absence of any finding of collusion between the buyer and the seller the charge of contributing to the LTP cannot be sustained against them. It must be appreciated that over the course of many years, since the aforesaid decision, the Hon'ble SAT has evolved nuanced principles with respect to a charge of unilateral price manipulation, as would be evident from a reading of the various orders passed thereafter. The Hon'ble SAT has observed that a charge of unilateral price manipulation, without establishing collusion between buyer and seller, could attract the provisions of PFUTP, 2003, if it is established that a) the evidence available on record shows that the trades were placed when sell orders for a lower price was available in the system; or b) *mala fide* intention can be established through an analysis of the trade and order logs; or c) cases where no justifiable reason have been provided for entering into such transactions in terms of normal rational expectations of a seller. In this regard, specific mention is made of the order passed by the Hon'ble SAT in *Mrs Kalpana Dharmesh Chheda v. SEBI(Appeal No. 454 of 2019 decided*

on February 25, 2020). In the said matter, an appeal had been filed challenging the Order of SEBI AO imposing penalty on the Appellants for executing trades, mostly sell orders, in very small volumes at prices above the Last Traded Price (LTP). In this regard, the Hon'ble SAT has observed that "*We do not find much merit in the submissions made by the learned counsel for the appellants though generally it can be stated that selling at a price higher than the LTP particularly when buy orders are available in the system cannot be considered as manipulative in itself. However, looking at the pattern of trading done by the appellants and the fact that the appellants have derived considerable financial benefit through that particular scheme or nature of trading we are of the view that the trading pattern adopted by the appellants is of a manipulative and unfair nature and would squarely fall within the ambit of the PFUTP Regulations. The pattern of trade clearly establishes this as it is on 49 occasions that the appellants sold 1 to 5 shares, mostly one share, when in fact the buy orders available in the system was much higher. This behavior cannot be justified in terms of normal rational expectations of a seller. It is on record that the appellants were among the top two net sellers during the relevant period. Therefore, when the appellants were holding a large number of shares (Appellant No. 1 – 15045 shares and Appellant No. 2 – 1009 shares), their selling miniscule quantity of one share each on more than four dozen occasions is nothing but a strategy of manipulation and unfairly benefiting by off-loading the entire shareholding after raising the price to considerable levels.***"*** Thus, the submission of the Noticees that for a charge of market manipulation to be made against the sellers, it is necessary to place the same charge against the buyers is not sustainable, in all circumstances. It can change from the facts and circumstances of one case to the other.

123. Also, reference is drawn to the Hon'ble SAT's Order dated November 05, 2019 in the matter of *Jayaprakash Bohra V. SEBI* in Appeal No. 162 of 2019. In the said matter, an

appeal had been filed challenging the Order of SEBI restraining the Appellant, from dealing in securities for a stipulated period. In the matter, the non-independent directors of a company, Gromo Trade & Consultancy Ltd, in connivance with a group of entities known as Kamalakshi Group indulged in price manipulation and created false/ misleading appearance of trading in the scrip at inflated prices; even though there was no perceptible change in the fundamentals of the company which would support a rise in the price of the scrip. In this regard, the Hon'ble SAT has observed that " *The submission that all the holdings of the appellant are in normal course of business has no merit as the entire issue in the matter is not normal course of business. An unknown company suspended from trading for long; off market buying of 1,050 shares of the said company which constitutes more than 2% of its share capital and which is in the name of an unknown person (Kushal Jain) on the recommendation of a person from the native place of the appellant with no prior connection etc. can be treated as only a fiction rather than normal business. Coupled with the finding that the appellant had other transactions off-market with Gromo ….is sufficient evidence to prove the connection between Gromo, the appellant and entities in the Kamalakshi Group, many of whom are inter connected in the matter as explained in the said table. Moreover, out of 1,050 shares of Gromo obtained off-market in an inexplicable way by the appellant more than half of it was sold in small tranches; most of the time placing sell order at far away prices than LTP. The said trading pattern and the other connections as explained above is sufficient enough to prove that the appellant was part of the group that created the artifice/ scheme and therefore finding in the impugned order that the appellant has violated the stated provisions of the PFUTP Regulations cannot be faulted.*"

124.In this regard, the facts as brought out in the present matter reveal that

a. the trading of the shares of Mishka were suspended from January 07, 2002 to May 09, 2012, and the trading in the securities of the scrip was revoked w.e.f. May 10, 2012;

b. the 41 Noticees purchased the shares from/through RRSPL in off-market transactions;

c. certain directors, namely Anand Gupta and Vijay Kumar Jain left the board on March, 30, 2013, and new directors were inducted;

d. the Company issued bonus shares in the ratio of 7:1 i.e. seven bonus shares for every one share of the company on February 06, 2013;

e. the 41 Noticees sold the shares in small quantities pushing up the price;

f. the share price of the Company saw a steep rise moving from Rs.5.50 on February 14, 2013 to Rs.327.25 on January 15, 2014;

g. the Company sub-divided existing equity share of Rs.10 each to 10 equity shares of Rs.1 each on January 16, 2014; and

h. once the price rose, 38 out of the 41 Noticees sold the shares and booked profits during the period February 17, 2014 to December 31, 2014.

Thus, the facts in the present matter mirror the facts adjudicated upon by the Hon'ble SAT in Jayaprakash Bohra V. SEBI, wherein the Hon'ble SAT in its own words has observed that , " *An unknown company suspended from trading for long; off-market buying of 1,050 shares of the said company which constitutes more than 2% of its share capital and which is in the name of an unknown person (Kushal Jain) on the recommendation of a person from the native place*

of the appellant with no prior connection etc. can be treated as only a fiction rather than normal business. Coupled with the finding that the appellant had other transactions off-market with Gromo as given in Table 2 page 13-14 of the impugned order is sufficient evidence to prove the connection between Gromo, the appellant and entities in the Kamalakshi Group, many of whom are inter connected in the matter as explained in the said table. Moreover, out of 1,050 shares of Gromo obtained off-market in an inexplicable way by the appellant more than half of it was sold in small tranches; most of the time placing sell order at far away prices than LTP. The said trading pattern and the other connections as explained above is sufficient enough to prove that the appellant was part of the group that created the artifice/scheme and therefore finding in the impugned order that the appellant has violated the stated provisions of the PFUTP Regulations cannot be faulted." The Company, Mishka lying obscure as a suspended company for about 10 years is resurrected and trading in the Company is restarted with effect from May 10, 2012. The Promoters/Shareholders of the Company sell their shares to/through RRSPL in off –market transactions, which in turn gets sold to other entities including the 41 Noticees. Directors of the Company, appointed prior to the lifting of suspension leave the Board and new directors are inducted. Also, the Company takes two important corporate actions: bonus issue of shares and stock split. The 41 Noticees start to sell the shares in small quantities, and then sell the shares at inflated prices to book profits.

125. In light of the above, I am convinced that the trades carried out by the 41 Noticees in Patch-1, and 14 Noticees out of the said 41 entities in Patch-2 was with the intent of manipulating the price of the scrip, with the objective of pushing the price upward so as to be able to off-load the same at an inflated price and book profits. I therefore find that the Noticees have violated the provisions of Regulation 3(a), (b), (c), (d) and

Regulation 4(1), 4(2) (a), and 4(2) (e) of the SEBI PFUTP Regulations, 2003. By way of email dated November 09, 2020, it has been informed by Kirit Shah, son of the Noticee, that Manharlal N Shah, Noticee No. 59 has passed away. The proceedings initiated against Noticee No. 59 thus stands abated.

126. In conclusion, it is stated that the Company along with its directors namely, Ankit Om Prakash Garodia (Noticee No. 2), Jugalkishore Sharma (Noticee No. 3), Anand Gupta (Noticee No. 6) and Vijay Kumar Jain (Noticee No. 7) by placing misleading objects of the preferential allotment before the shareholders and misutilising the proceeds of preferential allotment have violated Section 12A (a), (b) and (c) of SEBI Act, 1992 and Regulations 3 (a), (b), (c), (d), 4(1), and 4(2)(f) of SEBI (PFUTP) Regulations, 2003. Similarly, Noticee Nos. 8 and 9 by buying shares from the promoter entities as the principal and not as brokers, as has been claimed by them, and issuing an advertisement seeking purchasers for the shares of Mishka so bought, have devised a scheme for manipulating the price of the scrip of Mishka and as such have violated provisions of Regulations 3(a)(b)(c)(d) and 4(1) SEBI (PFUTP) Regulations, 2003. Furthermore, I find that the trades carried out by the 41 entities in Patch-1 (February 14, 2013, to January 15, 2014) , and 14 entities out of the said 41 entities in Patch-2 (January 16, 2014 to February 14, 2014) was with the intent of manipulating the price of the subject shares so as to be able to sell the shares at substantial profit during February 17, 2014 to December 31, 2014 i.e. Patch-3 and Patch 4, thereby violating the provisions of Regulation 3(a), (b), (c), (d) and Regulation 4(1), 4(2) (a), and 4(2) (e) of the SEBI PFUTP Regulations, 2003.

127. It is learnt that Vijay Kumar Jain, Noticee No 7 has passed away on October 18, 2018 in Delhi. Similarly, it is learnt that Manharlal N Shah, Noticee No. 59 has passed away on April 13, 2016 in Mumbai. Thus, the proceedings stand abated against Noticee No 7 and Noticee No. 59.

128.**Directions —**

128.1. I, in exercise of powers conferred upon me under sections 11(1), 11 (4) and 11B the Securities and Exchange Board of India Act, 1992 hereby pass the following directions:

128.1.1. The directions against Amit Kumar Vasishtha (Noticee No. 4) and Rameshwar Manohar Wagh (Noticee No. 5) in the Interim Order dated April 17, 2015 is revoked with immediate effect. The SCN dated December 12, 2017 stands disposed accordingly, without any directions.

128.1.2. The Noticees, as listed in the table below, shall be restrained from accessing the securities market, and further prohibited from buying, selling or otherwise dealing in securities, directly or indirectly, and associating with the securities market in any manner:

Table -21

Noticee No.	**Noticee**	**Whether Debarred by Interim Order**	**Period of Debarment (in years)**

		Dated April 17, 2015	
1	Mishka Finance and Trading Limited	Yes	Till the date of this Order
10	Pawan Darak	No	3
11	Megha Ravi Wattamwar	No	3
12	A K Roongta HUF	Yes	Till the date of this Order
13	Vijay Kumar Soni Huf	No	3
14	Ritu S Saraf	No	3
15	Kanta Balkishan Jaju	No	3
16	Ravi B Wattamwar Huf	No	3
18	Sunita Toshniwal	No	3
19	Sanjay Ambadas Joshi	No	3
20	Vinita Sanjay Joshi	No	3
21	Kiran Narayanprasad Toshniwal	No	3
22	Tejal Piyush Mehta	No	3
23	Sainik Kumar Jain	No	3

27	Sorabh Kumar Poddar	No	3
28	Rupesh Poddar	Yes	Till the date of this Order
31	Hemraj Raneja	No	3
32	Tushar Ashok Thakur	No	3
33	Sunayana Jain	No	3
35	Kiritkumar Ramniklal Mehta	No	3
36	Anand Raneja	No	3
37	Mansi Manoj Rane	No	3
38	Vikram Navinchanra Shah	No	3
39	Parul Poddar	Yes	Till the date of this Order
40	Ketan Jumakhlal Mehta	No	3
41	Usha Rakeshkumar Dixit	No	3
42	Sandeep V Saraf	No	3
43	Neha Narayan Toshniwal	No	3
44	Manish Kumar Bhati	No	3
45	Savita Soni	No	3

46	Priyanka Pramod Mhapsekar	No	3
49	Tejas Gala	No	3
50	Mukesh Kumar	No	3
51	Kavita Raneja	No	3
52	Ashish Ishwarlal Shah	No	3
53	Omprakash Sharma	No	3
57	Asifatanveer M Shaikh	No	3
58	Chandravati M Shah	No	3
60	Nikunj S Agarwal	No	3

128.1.3.The Noticees, as listed in the table below, shall be restrained from accessing the securities market, and further prohibited from buying, selling or otherwise dealing in securities, directly or indirectly, and associating with the securities market in any manner; and shall also be restrained from holding any position of Director or key managerial personnel in any listed company or any intermediary registered with SEBI, or associating themselves with any listed public company or a public company which intends to raise money from the public or any intermediary registered with SEBI for the respective periods as provided in the table below:

Table-22

Noticee No.	Noticee	Whether Debarred by Interim Order Dated April 17, 2015	Period of Debarment (in years)
2	Ankit Garodia	Yes	Till the date of this Order
3	Jugalkishore Pralhadrai Sharma	Yes	Till the date of this Order
6	Anand Gupta	No	4
8	Anil Satyanarayan Roongta	Yes	Till the date of this Order
9	Sudha Anil Roongta	No	4

128.1.4.It is clarified that while calculating the period of debarment as directed above, the period already undergone by the respective Noticees, in pursuance of the Interim Order, shall be taken into consideration and the same shall be set-off to give effect to the directions of restraint and prohibition as directed above.

128.1.5. The Noticees as mentioned in sub-paragraph 128.1.2 and 128.1.3 may liquidate their existing holdings, except the shares of Mishka, if any, during the said debarment/restraint periods.

128.2. The above directions shall come into force with immediate effect.

128.3. A copy of this order shall be served upon the Noticees immediately. A copy shall be served on the recognised Stock Exchanges and the Depositories for necessary action.

Date: December 02, 2020 **G. MAHALINGAM**

Place: Mumbai **WHOLE TIME MEMBER**

SECURITIES AND EXCHANGE BOARD OF INDIA