National Stock Exchange of India

Circular

Department: Investigation	
Download Ref No: NSE/INVG/55609	Date: February 14, 2023
Circular Ref. No: 38/2023	

To All NSE Members

Sub: **SAT Order in the matter of Mishka Finance and Trading Limited**

This is with reference to NSE Circular No. NSE/INVG/46536 dated December 02, 2020 in respect of SEBI Order No. WTM/GM/IVD/ID6/9588/2020-21 dated December 02, 2020.

Hon'ble SAT now, vide its Order dated February 14, 2023 inter alia stated that the impugned order of the WTM insofar as it relates to entities nos. 8, 9 and 12 is affirmed and consequently Appeal no. 199 of 2021 (Anil Satyanarayan Roongta, Sudha Anil Roongta and A.K. Roongta HUF) is dismissed. The orders of the WTM and AO insofar as it relates to remaining below mentioned entities are quashed.

Sr. No.	Name of the Entity	PAN
1	Pawan Darak	AAAPD9261A
2	Megha Ravi Wattamwar	AAAPW9319A
3	Ritu S Saraf	AAHPB4095P
4	Kanta Balkishan Jaju	AAJPJ4245M
5	Ravi B Wattamwar Huf	AALHR3103E
6	Sunita Toshniwal	AANPT7118D
7	Sanjay Ambadas Joshi	ABGPJ9472Q
8	Vinita Sanjay Joshi	ABGPJ9502P
9	Kiran Narayanprasad Toshniwal	ABHPT5940L
10	Tejal Piyush Mehta	ABQPM1056P
11	Sainik Kumar Jain	ABYPJ9823B
12	Sorabh Kumar Poddar	AELPP0173Q
13	Tushar Ashok Thakur	AFZPT5149K

National Stock Exchange of India

Sr. No.	Name of the Entity	PAN
14	Kiritkumar Ramniklal Mehta	AHXPM6863F
15	Mansi Manoj Rane	AJFPR5740L
16	Vikram Navinchanra Shah	AKCPS7427B
17	Ketan Jumakhlal Mehta	AMHPM0156A
18	Usha Rakeshkumar Dixit	AMYPD3165F
19	Sandeep V Saraf	ANQPS5905F
20	Neha Narayan Toshniwal	ANZPT6807C
21	Manish Kumar Bhati	APPPB5638F
22	Priyanka Pramod Mhapsekar	ATRPM4285D
23	Tejas Gala	AZAPG1972C
24	Ashish Ishwarlal Shah	BPXPS8075L
25	Omprakash Sharma	BQFPS5917N

The detailed order is available on SAT website (http://www.sat.gov.in).

Further, the consolidated list of such entities is available on the Exchange website http://www.nseindia.com home page at the below mentioned link:

https://www.nseindia.com/regulations/member-sebi-debarred-entities

Members are advised to take note of the above and ensure compliance.

In case of any further queries, members are requested to contact the following officials:

Mr. Rishabh Goyal (Extension: 25508), Mr. Anand Jangir (Extension: 22385)
Direct No: 022-26598417/18 Fax: 022-26598195

For and on behalf of
National Stock Exchange of India Limited

Anand Jangir
Manager

NSE

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National Stock Exchange of India

Annexure: - SAT Order in the matter of Mishka Finance and Trading Limited

BEFORE THE SECURITIES APPELLATE TRIBUNAL
MUMBAI

Order Reserved on : 10.06.2022
03.11.2022
29.11.2022
12.01.2023

Date of Decision : 14.02.2023

Appeal No. 72 of 2021

Sorabh Kumar Poddar
A-8, Bhagyodaya,
Dadabhai Cross Lane No. 1,
Santacruz – 400 054. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Prakash Shah, Advocate with Mr. Kushal Shah, Chartered Accountant i/b Prakash Shah and Associates for the Appellant.

Mr. Gaurav Joshi, Senior Advocate with Mr. Suraj Chaudhary, Mr. Nishit Dhruva, Mr. Yash Garach, Ms. Meghna Ashwin and Ms. Shefali Shankar, Advocates i/b MDP & Partners for the Respondent.

WITH
Appeal No. 207 of 2021

Kiran Narayanprasad Toshniwal
MAINAK, Bunglow No. 1,
Siddhivinayak Gardes, Amrut Vani Road,
Behind Kailash Mansarovar,
Bhayander West, Thane – 401 101. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. P.N. Modi, Senior Advocate with Mr. Jaikishan Lakhwani and Ms. Tanvi Gupta, Advocates i/b. J L Legal Advisors for the Appellant.

Mr. Suraj Chaudhary, Advocate with Mr. Nishit Dhruva, Mr. Yash Garach, Ms. Meghna Ashwin and Ms. Shefali Shankar, Advocates i/b. MDP & Partners for the Respondent.

WITH
Appeal No. 208 of 2021

Neha Toshniwal
MAINAK, Bunglow No. 1,
Siddhivinayak Gardes, Amrut Vani Road,
Behind Kailash Mansarovar,
Bhayander West, Thane – 401 101. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Jaikishan Lakhwani, Advocate with Ms. Tanvi Gupta, Advocate i/b. J. L. Legal Advisors for the Appellant.

Mr. Suraj Chaudhary, Advocate with Mr. Nishit Dhruva, Mr. Yash Garach, Ms. Meghna Ashwin and Ms. Shefali Shankar, Advocates i/b. MDP & Partners for the Respondent.

WITH
Appeal No. 209 of 2021

Pawan Darak
A-503, Pushp Vinod 1,
Near Kora Kendra Flyover,
S.V. Road, Borivali (West),
Mumbai – 400 092. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Jaikishan Lakhwani, Advocate with Ms. Tanvi Gupta, Advocate i/b. J. L. Legal Advisors for the Appellant.

Mr. Suraj Chaudhary, Advocate with Mr. Nishit Dhruva, Mr. Yash Garach, Ms. Meghna Ashwin and Ms. Shefali Shankar, Advocates i/b. MDP & Partners for the Respondent.

WITH
Appeal No. 210 of 2021

Sunita Toshniwal
A/802, Kailash Mansarovar,
Satyanandji Maharaj Marg,
Opp. E-Techno Narayan School,
Bhayander (West), Dist. Thane 401 105. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Jaikishan Lakhwani, Advocate with Ms. Tanvi Gupta, Advocate i/b. J. L. Legal Advisors for the Appellant.

Mr. Suraj Chaudhary, Advocate with Mr. Nishit Dhruva, Mr. Yash Garach, Ms. Meghna Ashwin and Ms. Shefali Shankar, Advocates i/b. MDP & Partners for the Respondent.

WITH
Appeal No. 211 of 2021

Sandeep V Saraf
E-19-C/604, Yogi Guru Kripa Co-op.
Hsg. Society Ltd., Opp Dena Bank,
Yogi Nagar, Borivali (West),
Mumbai – 400 091. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Jaikishan Lakhwani, Advocate with Ms. Tanvi Gupta, Advocate i/b. J. L. Legal Advisors for the Appellant.

Mr. Suraj Chaudhary, Advocate with Mr. Nishit Dhruva, Mr. Yash Garach, Ms. Meghna Ashwin and Ms. Shefali Shankar, Advocates i/b. MDP & Partners for the Respondent.

WITH
Appeal No. 212 of 2021

Ritu Saraf
E-19-C/604, Yogi Guru Kripa Co-op.
Hsg. Society Ltd., Opp Dena Bank,
Yogi Nagar, Borivali (West),
Mumbai – 400 091. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Jaikishan Lakhwani, Advocate with Ms. Tanvi Gupta, Advocate i/b. J. L. Legal Advisors for the Appellant.

Mr. Suraj Chaudhary, Advocate with Mr. Nishit Dhruva, Mr. Yash Garach, Ms. Meghna Ashwin and Ms. Shefali Shankar, Advocates i/b. MDP & Partners for the Respondent.

WITH
Misc. Application No. 539 of 2021
And
Appeal No. 213 of 2021

Kanta Balkishan Jaju
D-313, Om Shradha C.H.S.L.
Jayraj Nagar, Borivali (West),
Mumbai – 400 091. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Ms. Shradha Achliya, Advocate i/b. Ms. Neha Achliya for the Appellant.

Mr. Suraj Chaudhary, Advocate with Mr. Nishit Dhruva, Mr. Yash Garach, Ms. Meghna Ashwin and Ms. Shefali Shankar, Advocates i/b. MDP & Partners for the Respondent.

WITH
Appeal No. 108 of 2021

Ravi B. Wattamwar HUF
C-2, Konark Estate,
Behind Gopal Cultural Hall,
Osmanpura,
Aurangabad – 431 005. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Prakash Shah, Advocate with Mr. Kushal Shah, Chartered Accountant i/b. Prakash Shah and Associates for the Appellant.

Mr. Gaurav Joshi, Senior Advocate with Mr. Suraj Chaudhary, Mr. Nishit Dhruva, Mr. Yash Garach, Ms. Meghna Ashwin and Ms. Shefali Shankar, Advocates i/b. MDP & Partners for the Respondent.

WITH
Appeal No. 109 of 2021

Megha Ravi Wattamwar
C-2, Konark Estate,
Behind Gopal Cultural Hall,
Osmanpura,
Aurangabad – 431 005. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Prakash Shah, Advocate with Mr. Kushal Shah, Chartered Accountant i/b. Prakash Shah and Associates for the Appellant.

Mr. Suraj Chaudhary, Advocate with Mr. Nishit Dhruva, Mr. Yash Garach, Ms. Meghna Ashwin and Ms. Shefali Shankar, Advocates i/b. MDP & Partners for the Respondent.

WITH
Appeal No. 159 of 2021

Sanjay Ambadas Joshi
Plot No. 48, Sarang Society,
Near Gajanan Maharaj Mandir,
Jawahar Colony, Garkheda,
Aurangabad – 431 001. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Prakash Shah, Advocate with Mr. Kushal Shah, Chartered Accountant i/b. Prakash Shah and Associates for the Appellant.

Mr. Suraj Chaudhary, Advocate with Mr. Nishit Dhruva, Mr. Yash Garach, Ms. Meghna Ashwin and Ms. Shefali Shankar, Advocates i/b. MDP & Partners for the Respondent.

WITH
Appeal No. 160 of 2021

Vinita Sanjay Joshi
Plot No. 48, Sarang Society,
Near Gajanan Maharaj Mandir,
Jawahar Colony, Garkheda,
Aurangabad – 431 001. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Prakash Shah, Advocate with Mr. Kushal Shah, Chartered Accountant i/b. Prakash Shah and Associates for the Appellant.

Mr. Suraj Chaudhary, Advocate with Mr. Nishit Dhruva, Mr. Yash Garach, Ms. Meghna Ashwin and Ms. Shefali Shankar, Advocates i/b. MDP & Partners for the Respondent.

WITH
Appeal No. 199 of 2021

1. Anil Satyanarayan Roongta
2. Sudha Anil Roongta
3. A.K. Roongta HUF

E610, Surya Apartments,
Near Agrasen Bhavan,
Surat (Gujarat) – 395 007. …Appellants

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Somasekhar Sundaresan, Advocate with Mr. Kunal Katariya and Mr. Sahebrao Wamanrao Buktare, Advocates and Mr. Ravi Vijay Ramaiya, Chartered Accountant i/b. Shah & Ramaiya, Chartered Accountants for the Appellant.

Mr. Gaurav Joshi, Senior Advocate with Mr. Suraj Chaudhary, Mr. Nishit Dhruva, Mr. Yash Garach, Ms. Meghna Ashwin and Ms. Shefali Shankar, Advocates i/b. MDP & Partners for the Respondent.

WITH
Appeal No. 786 of 2021

Mansi Manoj Rane
03, Saigeeta CHS Ltd.,
Goddev Phatak Road,
Near Ashvini Hospital,
Bhayander (East),
Thane – 401 105. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Saurabh Bachhawat, Advocate with Ms. Yashvi Panchal, Advocate for the Appellant.

Mr. Gaurav Joshi, Senior Advocate with Mr. Suraj Chaudhary, Mr. Nishit Dhruva, Mr. Yash Garach, Ms. Meghna Ashwin and Ms. Shefali Shankar, Advocates i/b. MDP & Partners for the Respondent.

WITH
Appeal No. 787 of 2021

Omprakash Sharma
601, Rameshwar Tower,
New Golden Nest,
Bhayander (East),
Thane – 401 105. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Saurabh Bachhawat, Advocate with Ms. Yashvi Panchal, Advocate for the Appellant.

Mr. Suraj Chaudhary, Advocate with Mr. Nishit Dhruva, Mr. Yash Garach, Ms. Meghna Ashwin and Ms. Shefali Shankar, Advocates i/b. MDP & Partners for the Respondent.

WITH
Appeal No. 788 of 2021

Manish Kumar Bhati
Near Sain Mandir, Rambas,
Ward No. 32, Rambas,
P.O. Sadulpur, Dist. Churu,
Rajasthan – 331 023. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Saurabh Bachhawat, Advocate with Ms. Yashvi Panchal, Advocate for the Appellant.

Mr. Suraj Chaudhary, Advocate with Mr. Nishit Dhruva, Mr. Yash Garach, Ms. Meghna Ashwin and Ms. Shefali Shankar, Advocates i/b. MDP & Partners for the Respondent.

WITH
Appeal No. 789 of 2021

Tejas Gala
1/1 Building No. 3,
Vibhaag Sadan, Sahakar Road,
Jogeshwari (West),
Mumbai – 400 102. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Saurabh Bachhawat, Advocate with Ms. Yashvi Panchal, Advocate for the Appellant.

Mr. Suraj Chaudhary, Advocate with Mr. Nishit Dhruva, Mr. Yash Garach, Ms. Meghna Ashwin and Ms. Shefali Shankar, Advocates i/b. MDP & Partners for the Respondent.

WITH
Appeal No. 790 of 2021

Tejal Mehta
C 4, Sundar Park C D Co-op. Housing
Society, Jeevan Nagar,
Off Veera Desai road,
Andheri (West), Mumbai – 400 053. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Saurabh Bachhawat, Advocate with Ms. Yashvi Panchal, Advocate for the Appellant.

Mr. Suraj Chaudhary, Advocate with Mr. Nishit Dhruva, Mr. Yash Garach, Ms. Meghna Ashwin and Ms. Shefali Shankar, Advocates i/b. MDP & Partners for the Respondent.

WITH
Appeal No. 791 of 2021

Priyanka Mhapsekar
A/309, Shanti Lifespaces II,
Yashwant Viva Township,
Vasai Nalasopara Link Road,
Nalasopara (East) – 401 209. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Saurabh Bachhawat, Advocate with Ms. Yashvi Panchal, Advocate for the Appellant.

Mr. Suraj Chaudhary, Advocate with Mr. Nishit Dhruva, Mr. Yash Garach, Ms. Meghna Ashwin and Ms. Shefali Shankar, Advocates i/b. MDP & Partners for the Respondent.

WITH
Appeal No. 792 of 2021

Kirit Ramniklal Mehta
Room No. 4, 1st Floor,
Zaveri Building, 42/A, S. Radhakrishna
Marg, Opp. Vrindavan Hotel,
Andheri (East), Mumbai - 400 069. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Saurabh Bachhawat, Advocate with Ms. Yashvi Panchal, Advocate for the Appellant.

Mr. Suraj Chaudhary, Advocate with Mr. Nishit Dhruva, Mr. Yash Garach, Ms. Meghna Ashwin and Ms. Shefali Shankar, Advocates i/b. MDP & Partners for the Respondent.

WITH
Appeal No. 793 of 2021

Vikram Shah
D-209, Zalawad Nagar,
C.D. Barfiwala Marg,
Andheri (West),
Mumbai – 400 053. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Saurabh Bachhawat, Advocate with Ms. Yashvi Panchal, Advocate for the Appellant.

Mr. Suraj Chaudhary, Advocate with Mr. Nishit Dhruva, Mr. Yash Garach, Ms. Meghna Ashwin and Ms. Shefali Shankar, Advocates i/b. MDP & Partners for the Respondent.

WITH
Appeal No. 794 of 2021

Usha Rakeshkumar Dixit
B/5 Premavati Flat,
Near Sudama Park,
D-Cabin, Sabarmati,
Ahmedabad – 380 019. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Saurabh Bachhawat, Advocate with Ms. Yashvi Panchal, Advocate for the Appellant.

Mr. Suraj Chaudhary, Advocate with Mr. Nishit Dhruva, Mr. Yash Garach, Ms. Meghna Ashwin and Ms. Shefali Shankar, Advocates i/b. MDP & Partners for the Respondent.

WITH
Appeal No. 795 of 2021

Tushar Ashok Thakur
Flat No. A/107, Matoshree Vahini
Saheb Apartment,
Survey No. 152/21 to 152/30,
Opp. Ram Mandir, At – Derivali,
Ajivali, Raigarh – 410 022. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Saurabh Bachhawat, Advocate with Ms. Yashvi Panchal, Advocate for the Appellant.

Mr. Suraj Chaudhary, Advocate with Mr. Nishit Dhruva, Mr. Yash Garach, Ms. Meghna Ashwin and Ms. Shefali Shankar, Advocates i/b. MDP & Partners for the Respondent.

WITH
Appeal No. 796 of 2021

Ashish Ishwarlal Shah
2nd Floor, Gayatri Complex,
Azad Chawk,
Mandvi,
Kuchh – 370 465. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Saurabh Bachhawat, Advocate with Ms. Yashvi Panchal, Advocate for the Appellant.

Mr. Suraj Chaudhary, Advocate with Mr. Nishit Dhruva, Mr. Yash Garach, Ms. Meghna Ashwin and Ms. Shefali Shankar, Advocates i/b. MDP & Partners for the Respondent.

WITH
Appeal No. 797 of 2021

Ketan Jumakhlal Mehta
1052-3, Near Five Temple,
Opp. Geeta Bhuvan,
Navapura, Mandvi,
Kuchh – 370 465. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Saurabh Bachhawat, Advocate with Ms. Yashvi Panchal, Advocate for the Appellant.

Mr. Suraj Chaudhary, Advocate with Mr. Nishit Dhruva, Mr. Yash Garach, Ms. Meghna Ashwin and Ms. Shefali Shankar, Advocates i/b. MDP & Partners for the Respondent.

WITH
Appeal No. 756 of 2022

Sorabh Kumar Poddar
A-8, Bhagyodaya,
Dadabhai Cross Lane No. 1,
Santacruz – 400 054. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Kushal Shah, Chartered Accountant and Mr. Prakash Shah, Advocate i/b Prakash Shah and Associates for the Appellant.

Mr. Suraj Chaudhary, Advocate with Mr. Nishit Dhruva, Mr. Ravishekhar Pandey and Ms. Shefali Shankar, Advocates i/b. MDP & Partners for the Respondent.

WITH
Appeal No. 757 of 2022

Ravi B. Wattamwar HUF
C-2, Konark Estate,
Behind Gopal Cultural Hall,
Osmanpura,
Aurangabad – 431 005. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Kushal Shah, Chartered Accountant and Mr. Prakash Shah, Advocate i/b Prakash Shah and Associates for the Appellant.

Mr. Suraj Chaudhary, Advocate with Mr. Nishit Dhruva, Mr. Ravishekhar Pandey and Ms. Shefali Shankar, Advocates i/b. MDP & Partners for the Respondent.

WITH
Appeal No. 758 of 2022

Megha Wattamwar
C-2, Konark Estate,
Behind Gopal Cultural Hall,
Osmanpura,
Aurangabad – 431 005. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Kushal Shah, Chartered Accountant and Mr. Prakash Shah, Advocate i/b Prakash Shah and Associates for the Appellant.

Mr. Suraj Chaudhary, Advocate with Mr. Nishit Dhruva, Mr. Ravishekhar Pandey and Ms. Shefali Shankar, Advocates i/b. MDP & Partners for the Respondent.

WITH
Appeal No. 759 of 2022

Vinita Sanjay Joshi
Plot No. 48, Sarang Society,
Near Gajanan Maharaj Mandir,
Jawahar Colony, Garkheda,
Aurangabad – 431 001. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Kushal Shah, Chartered Accountant and Mr. Prakash Shah, Advocate i/b Prakash Shah and Associates for the Appellant.

Mr. Suraj Chaudhary, Advocate with Mr. Nishit Dhruva, Mr. Ravishekhar Pandey and Ms. Shefali Shankar, Advocates i/b. MDP & Partners for the Respondent.

WITH
Appeal No. 760 of 2022

Sanjay Ambadas Joshi
Plot No. 48, Sarang Society,
Near Gajanan Maharaj Mandir,
Jawahar Colony, Garkheda,
Aurangabad – 431 001. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Kushal Shah, Chartered Accountant and Mr. Prakash Shah, Advocate i/b Prakash Shah and Associates for the Appellant.

Mr. Suraj Chaudhary, Advocate with Mr. Nishit Dhruva, Mr. Ravishekhar Pandey and Ms. Shefali Shankar, Advocates i/b. MDP & Partners for the Respondent.

WITH
Appeal No. 761 of 2022

Sandeep V Saraf
E-19-C/604, Yogi Guru Kripa Co-op.
Hsg. Society Ltd., Opp Dena Bank,
Yogi Nagar, Borivali (West),
Mumbai – 400 091. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Ms. Tanvi Gupta, Advocate with Mr. Jaikishan Lakhwani, Advocate i/b J L Legal Advisors for the Appellant.

Mr. Suraj Choudhary, Advocate with Mr. Nishit Dhruva, Mr. Ravishekhar Pandey and Ms. Shefali Shankar, Advocates i/b. MDP & Partners, for the Respondent.

WITH
Appeal No. 762 of 2022

Neha Narayan Toshniwal
MAINAK, Bunglow No. 1,
Siddhivinayak Gardes, Amrut Vani Road,
Behind Kailash Mansarovar,
Bhayander West, Thane – 401 101. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Ms. Tanvi Gupta, Advocate with Mr. Jaikishan Lakhwani, Advocate i/b J L Legal Advisors for the Appellant.

Mr. Suraj Choudhary, Advocate with Mr. Nishit Dhruva, Mr. Ravishekhar Pandey and Ms. Shefali Shankar, Advocates i/b. MDP & Partners, for the Respondent.

WITH
Appeal No. 763 of 2022

Pawan Darak
A-503, Pushp Vinod 1,
Near Kora Kendra Flyover,
S.V. Road, Borivali (West),
Mumbai – 400 092. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Ms. Tanvi Gupta, Advocate with Mr. Jaikishan Lakhwani, Advocate i/b J L Legal Advisors for the Appellant.

Mr. Suraj Choudhary, Advocate with Mr. Nishit Dhruva, Mr. Ravishekhar Pandey and Ms. Shefali Shankar, Advocates i/b. MDP & Partners, for the Respondent.

WITH
Appeal No. 764 of 2022

Kiran Narayanprasad Toshniwal
MAINAK, Bunglow No. 1,
Siddhivinayak Gardes, Amrut Vani Road,
Behind Kailash Mansarovar,
Bhayander West, Thane – 401 101. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Ms. Tanvi Gupta, Advocate with Mr. Jaikishan Lakhwani, Advocate i/b J L Legal Advisors for the Appellant.

Mr. Suraj Choudhary, Advocate with Mr. Nishit Dhruva, Mr. Ravishekhar Pandey and Ms. Shefali Shankar, Advocates i/b. MDP & Partners, for the Respondent.

WITH
Appeal No. 765 of 2022

Sunita Toshniwal
A/802, Kailash Mansarovar,
Satyanandji Maharaj Marg,
Opp. E-Techno Narayan School,
Bhayander (West), Dist. Thane 401 105. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Ms. Tanvi Gupta, Advocate with Mr. Jaikishan Lakhwani, Advocate i/b J L Legal Advisors for the Appellant.

Mr. Suraj Choudhary, Advocate with Mr. Nishit Dhruva, Mr. Ravishekhar Pandey and Ms. Shefali Shankar, Advocates i/b. MDP & Partners, for the Respondent.

WITH
Appeal No. 766 of 2022

Ritu Saraf
E-19-C/604, Yogi Guru Kripa Co-op.
Hsg. Society Ltd., Opp Dena Bank,
Yogi Nagar, Borivali (West),
Mumbai – 400 091. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Ms. Tanvi Gupta, Advocate with Mr. Jaikishan Lakhwani, Advocate i/b J L Legal Advisors for the Appellant.

Mr. Suraj Choudhary, Advocate with Mr. Nishit Dhruva, Mr. Ravishekhar Pandey and Ms. Shefali Shankar, Advocates i/b. MDP & Partners, for the Respondent.

WITH
Appeal No. 953 of 2022

Tushar Ashok Thakur
Flat No. A/107, Matoshree Vahini
Saheb Apartment,
Survey No. 152/21 to 152/30,
Opp. Ram Mandir, At – Derivali,
Ajivali, Raigarh – 410 022. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Saurabh Bachhawat, Advocate with Mr. Deepak Dhane, Advocate i/b. Corporate Pleaders for the Appellant.

Mr. Ravishekhar Pandey, Advocate with Mr. Nishit Dhruva and Ms. Shefali Shankar, Advocates i/b MDP & Partners, Advocates for the Respondent.

WITH
Appeal No. 954 of 2022

Usha Rakeshkumar Dixit
B/5 Premavati Flat,
Near Sudama Park,
D-Cabin, Sabarmati,
Ahmedabad – 380 019. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Saurabh Bachhawat, Advocate with Mr. Deepak Dhane, Advocate i/b. Corporate Pleaders for the Appellant.

Mr. Ravishekhar Pandey, Advocate with Mr. Nishit Dhruva and Ms. Shefali Shankar, Advocates i/b MDP & Partners, Advocates for the Respondent.

WITH
Appeal No. 955 of 2022

Shrenik Kumar Jain
(Previously known as Sainik Kumar Jain)
26, Mahaveer Nagar,
Residency Road,
Near Polytechnic College,
Jodhpur – 342 001. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Saurabh Bachhawat, Advocate with Mr. Deepak Dhane, Advocate i/b. Corporate Pleaders for the Appellant.

Mr. Ravishekhar Pandey, Advocate with Mr. Nishit Dhruva and Ms. Shefali Shankar, Advocates i/b MDP & Partners, Advocates for the Respondent.

WITH
Appeal No. 32 of 2023

Manish Kumar Bhati
Near Sain Mandir, Rambas,
Ward No. 32, Rambas,
P.O. Sadulpur, Dist. Churu,
Rajasthan – 331 023. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Kunal Kataria, Advocate with Mr. Deepak Dhane, Advocate i/b. Corporate Pleaders for the Appellant.

Mr. Ravishekhar Pandey, Advocate with Mr. Nishit Dhruva and Ms. Shefali Shankar, Advocate i/b. MDP & Partners for the Respondent.

WITH
Appeal No. 33 of 2023

Mansi Manoj Rane
03, Saigeeta CHS Ltd.,
Goddev Phatak Road,
Near Ashvini Hospital,
Bhayander (East),
Thane – 401 105. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Kunal Kataria, Advocate with Mr. Deepak Dhane, Advocate i/b. Corporate Pleaders for the Appellant.

Mr. Ravishekhar Pandey, Advocate with Mr. Nishit Dhruva and Ms. Shefali Shankar, Advocate i/b. MDP & Partners for the Respondent.

WITH
Appeal No. 34 of 2023

Omprakash Sharma
601, Rameshwar Tower,
New Golden Nest,
Bhayander (East),
Thane – 401 105. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Kunal Kataria, Advocate with Mr. Deepak Dhane, Advocate i/b. Corporate Pleaders for the Appellant.

Mr. Ravishekhar Pandey, Advocate with Mr. Nishit Dhruva and Ms. Shefali Shankar, Advocate i/b. MDP & Partners for the Respondent.

WITH
Appeal No. 35 of 2023

Tejas Gala
1/1 Building No. 3,
Vibhaag Sadan, Sahakar Road,
Jogeshwari (West),
Mumbai – 400 102. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Kunal Kataria, Advocate with Mr. Deepak Dhane, Advocate i/b. Corporate Pleaders for the Appellant.

Mr. Ravishekhar Pandey, Advocate with Mr. Nishit Dhruva and Ms. Shefali Shankar, Advocate i/b. MDP & Partners for the Respondent.

WITH
Appeal No. 36 of 2023

Vikram Navinchandra Shah
D-209, Zalawad Nagar,
C.D. Barfiwala Marg,
Andheri (West),
Mumbai – 400 053. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Kunal Kataria, Advocate with Mr. Deepak Dhane, Advocate i/b. Corporate Pleaders for the Appellant.

Mr. Ravishekhar Pandey, Advocate with Mr. Nishit Dhruva and Ms. Shefali Shankar, Advocate i/b. MDP & Partners for the Respondent.

WITH
Appeal No. 37 of 2023

Kirit Ramniklal Mehta
Room No. 4, 1st Floor,
Zaveri Building, 42/A, S. Radhakrishna
Marg, Opp. Vrindavan Hotel,
Andheri (East), Mumbai - 400 069. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Kunal Kataria, Advocate with Mr. Deepak Dhane, Advocate i/b. Corporate Pleaders for the Appellant.

Mr. Ravishekhar Pandey, Advocate with Mr. Nishit Dhruva and Ms. Shefali Shankar, Advocate i/b. MDP & Partners for the Respondent.

WITH
Misc. Application No. 1663 of 2022
And
Appeal No. 38 of 2023

Priyanka Pramod Mhapsekar
A/309, Shanti Lifespaces II,
Yashwant Viva Township,
Vasai Nalasopara Link Road,
Nalasopara (East) – 401 209. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Kunal Kataria, Advocate with Mr. Deepak Dhane, Advocate i/b. Corporate Pleaders for the Appellant.

Mr. Ravishekhar Pandey, Advocate with Mr. Nishit Dhruva and Ms. Shefali Shankar, Advocate i/b. MDP & Partners for the Respondent.

WITH
Appeal No. 39 of 2023

Ashish Ishwarlal Shah
2nd Floor, Gayatri Complex,
Azad Chawk,
Mandvi,
Kuchh – 370 465. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Kunal Kataria, Advocate with Mr. Deepak Dhane, Advocate i/b. Corporate Pleaders for the Appellant.

Mr. Ravishekhar Pandey, Advocate with Mr. Nishit Dhruva and Ms. Shefali Shankar, Advocate i/b. MDP & Partners for the Respondent.

WITH
Appeal No. 40 of 2023

Tejal Piyush Mehta
C 4, Sundar Park C D Co-op. Housing
Society, Jeevan Nagar,
Off Veera Desai road,
Andheri (West), Mumbai – 400 053. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Kunal Kataria, Advocate with Mr. Deepak Dhane, Advocate i/b. Corporate Pleaders for the Appellant.

Mr. Ravishekhar Pandey, Advocate with Mr. Nishit Dhruva and Ms. Shefali Shankar, Advocate i/b. MDP & Partners for the Respondent.

WITH
Appeal No. 41 of 2023

Ketan Jumakhlal Mehta
1052-3, Near Five Temple,
Opp. Geeta Bhuvan,
Navapura, Mandvi,
Kuchh – 370 465. …Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051. …Respondent

Mr. Kunal Kataria, Advocate with Mr. Deepak Dhane, Advocate i/b. Corporate Pleaders for the Appellant.

Mr. Ravishekhar Pandey, Advocate with Mr. Nishit Dhruva and Ms. Shefali Shankar, Advocate i/b. MDP & Partners for the Respondent.

CORAM : Justice Tarun Agarwala, Presiding Officer
Ms. Meera Swarup, Technical Member

Per : Justice Tarun Agarwala, Presiding Officer

1. In this group of appeals the appellants have challenged the order dated December 2, 2020 passed by the Whole Time Member ('WTM' for short) of the Securities and Exchange Board of India ('SEBI' for short) whereby the appellants have been restrained from accessing the securities market and have further been prohibited from buying, selling or otherwise dealing in securities directly or indirectly and associating with the securities market in any manner for specified periods as depicted against their names in the impugned order. The appellants have also challenged the order dated July 29, 2022 passed by the Adjudicating Officer ('AO' for short) wherein different amounts of penalty have been imposed for violating Regulation 3 and 4 of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 ('PFUTP Regulations' for short). Since the

facts and the issues are common, all the appeals are being taken up together. For facility, the facts stated in the impugned order passed by the WTM are being taken into consideration.

2. There is a Company known as Mishka Finance and Trading Limited (‘Mishka’ for short) which was formerly known as Pyramid Trading and Finance Limited and was listed on the Bombay Stock Exchange. The trading in the scrip of Mishka was suspended from January 07, 2002 to May 09, 2012 on account of non-payment of listing fees. It was revoked on May 10, 2012 based on which the trading in the scrip of Mishka started. A corporate announcement was made by Mishka on January 28, 2013 to the effect that the Company had decided to issue bonus shares in the ratio of 7:1 i.e. 7 new equity shares of the face value of Rs. 10/- for every 1 existing equity shares held by its members. Consequent to the said decision to issue bonus shares, a corporate announcement was made on February 07, 2013 informing the Stock Exchange that the Board of Directors had resolved to allot 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. Accordingly, on February 18, 2013, the 90,41,900 bonus equity shares were issued and were listed and permitted to trade with effect from February 19, 2013.

On December 30, 2013, the Company announced its decision to split one share of face value of Rs. 10 into ten shares of face value of Rs. 1 each.

3. SEBI noticed a huge rise in the trading volume and price in the scrip of Mishka during period from February 14, 2013 to December 31, 2014. SEBI accordingly conducted an investigation and found that the price of shares of Mishka moved from Rs. 5.50 on February 14, 2013 to Rs. 327.25 on January 15, 2014. After the split of the shares in December 30, 2013 SEBI noticed that price of the scrip touched a high of Rs. 49.90 on February 14, 2014.

4. The investigation further revealed that Mishka had also made a preferential allotment during 2012-13 and subsequent to the release of the compulsory lock-in period of 1 year, the preferential allottees and the promoter related entities were provided an exit at a high price by certain entities allegedly related or connected amongst themselves and with Mishka.

5. Accordingly, an *ex parte ad interim* order dated April 17, 2015 was passed against the Company, its promoters, directors and other suspected entities totalling 129 who were *prima facie* found to be in violation of the SEBI Act and the PFUTP

Regulations. The interim order accordingly restrained them from accessing the securities market and further prohibited them from buying, selling or dealing in securities either directly or indirectly in any manner till further directions.

6. Subsequently, by an order dated November 10, 2015 and August 26, 2016 SEBI revoked the *ex parte ad interim* directions against 3 entities and confirmatory orders dated October 12, 2015, October 21, 2015, November 10, 2015, April 13, 2016, July 05, 2016 and August 26, 2016 was passed against the remaining 126 entities.

7. After the confirmatory orders, SEBI conducted a detailed investigation with regard to the remaining 126 entities. Upon completion of the investigation it was found that there were no adverse findings against 113 entities with respect to their role in the price manipulation. Consequently, the interim order was revoked by an order dated October 5, 2017 against 113 entities. Thereafter, a common show cause notice was issued to 60 noticees. 13 were such noticees against whom interim orders were issued and 47 were new noticees and they were called upon to show cause as to why suitable directions under Section 11 and 11B of the SEBI Act should not be issued.

8. The show cause notice alleged that Company and its directors, namely, Noticee nos. 1 to 7 (as per WTM order) presented false and misleading objects of the preferential issue during the financial years 2012-13 and 2013-14. It was further alleged that the total shareholding of the Company was 4,98,000 shares which were held by 7 entities out of which 84.28% of the total shareholding was held by the 4 promoters and remaining 15.72% was held by 3 entities, namely, the director, his wife and his son. It was alleged that the 7 entities were connected to each other and that from December 26, 2011 onwards 6 promoters and promoter related entities sold their shares through Roongta Rising Stock Private Limited ('RRSPL' for short) and received payment of Rs. 21,21,500/- directly from RRSPL and balance amount of Rs. 3,58,500/- from the buyers as per the instructions of RRSPL. Thus, the promoter and promoter related entities had transferred 99.60% of their shareholding to 383 entities through RRSPL out of which 19 entities further transferred it 69 entities and therefore ultimately 99.60% of promoter shareholding was transferred to 452 entities.

9. The show cause notice further 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. The Noticee nos. 8 and 9, namely, Anil Satyanarayan Roongta and Sudha Anil Roongta (hereinafter referred to as the 'Roongtas') were the directors who have violated Regulation 3 and 4 of the PFUTP Regulations for devising a manipulative scheme.

10. The show cause notice further alleged that 53 entities, namely, Noticee nos. 8 to 60 have indulged in an act amounting to manipulation of price of the scrip of the Company and were alleged to have sold the shares at inflated price and booked substantial profit and thereby violated Regulation 3 and 4 of the PFUTP Regulations.

11. The WTM after considering the material evidence on record found that the Company and its directors used the proceeds of the preferential allotment in contravention to the objects of the preferential issue and violated Section 12A and Regulation 3 of the PFUTP Regulations. The WTM found that Noticee nos. 8 and 9, namely, Anil Satyanarayan Roongta and Sudha Anil Roongta had a definite role to play in planning a fraudulent scheme in the securities market whereby a penny stocks had been identified, activated and subsequently transferred to several entities in the market. The WTM found

that right from initiating act of purchase of the promoter shares and spreading it out in the market was *per se* manipulative and fraudulent and even thereafter Roongtas have also manipulated the price of the scrip. The WTM further found that the Company RRSPL had acted as a principal and not as a broker to the clients and misused its broker authorization to that extent. The WTM accordingly found Roongtas, Noticee nos. 8 and 9 as directors of RRSPL of having violated Regulation 3 and 4 of the PFUTP Regulations.

12. With regard to the remaining 41 noticees the WTM found that these noticees were placing sell orders in small quantity when buy orders were available in large quantity and therefore these noticees were not acting as genuine sellers and that they were instrumental in increasing the price of the scrip and booked substantial profits accordingly. The WTM further found that even though there is no one-to-one relationship with the buyers, nonetheless, these noticees have purchased the shares from a common source, namely, Roongtas and therefore there was collusion with the Roongtas in manipulating the scrip of the Company. The WTM came to the conclusion that it is not necessary that there has to be connection of meeting of minds with the buyer in order to establish collusion and that by the

unilateral act of the sellers itself can lead to price manipulation which has been done in the instant case. The WTM concluded that the sale made by these noticees was with intent to manipulate the price. The WTM accordingly found them guilty of violating the Regulation 3 and 4 of the PFUTP Regulations.

13. We have heard Shri P.N. Modi, learned senior counsel, Shri Somasekhar Sundaresan, Shri Prakash Shah, Shri Jaikishan Lakhwani, Ms. Shradha Achliya, Shri Saurabh Bachhawat, Ms. Tanvi Gupta, learned counsel and Shri Kushal Shah, Chartered Accountant for the appellant and Shri Gaurav Joshi, learned senior counsel, Shri Suraj Chaudhary and Shri Ravishekhar Pandey, learned counsel for the respondent in respective appeals.

14. Most of the appellants before us are the sellers who have sold their shares and against whom the charge is of manipulating the price of the scrip. It was urged that they are not connected with the promoters or directors of Mishka. It was also urged that there is no connection of the appellants with the counter parties, namely, the buyers and therefore in the absence of any connection, the charge of collusion was totally baseless and without any evidence. It was also urged that the appellants are not guilty of price manipulation and that the price

manipulation, if any, has been done by the buyer and not by the seller. It was urged that buy order was placed above the LTP by the buyers before the appellants sell order. It was contended that since buy orders were placed above the LTP the appellants trades automatically matched with the buy orders and therefore the appellants cannot be charged for increasing the price since a higher price was already existing in the system at the behest of the buyer. It was also contended that initially an *ex parte ad interim* order was issued against the buyers but the same was subsequently revoked by an order dated October 5, 2017 as no adverse finding were made out against these buyers with respect to their role in the price manipulation. It was, thus, urged that since there was no connection with the buyer and, in the absence of any collusion of the appellants with the buyer the question of penalizing the appellants for manipulating the price of the scrip does not arise.

15. In the end, it was also argued in the alternative that the contribution to the price increase was very negligible and was less than 1% and that SEBI itself has taken a stand of not penalizing any entity where the price contribution was less than 1%. In support of his submissions, the learned senior counsel has placed reliance upon the decision of WTM, SEBI in ***Nikki***

Global Finance Ltd. dated February 26, 2021 and decision of this Tribunal in ***M/s. Nishith M. Shah HUF vs SEBI (Appeal no. 97 of 2019 decided on January 16, 2019***).

16. On the other hand, the learned senior counsel for the respondent contended that it is a classic case of pump and dump scheme where the Roongtas had purchased the shares of Rs. 5.00 per share and sold it for Rs. 30 per share and that the appellants were guilty of manipulating the price. In support of his submissions the learned senior counsel supported the decision of the WTM contending that the order does not suffer from any error of law and the appeal should be dismissed. In support of his submissions the learned senior counsel placed reliance upon a decisions in ***Tanju Khandelwal vs SEBI (Appeal no. 357 of 2020 decided on January 4, 2021), Mrs. Kalpana Dharmesh Chheda vs SEBI (Appeal no. 454 of 2019 decided on February 25, 2020), BP Comtrade Pvt. Ltd. vs SEBI (Appeal no. 189 of 2020 decided on November 20, 2020), Jayprakash Bohra vs SEBI (Appeal No. 162 of 2019 decided on November 5, 2019) and Pannalal Prajapati vs SEBI (Appeal no. 530 of 2020 decided on February 15, 2021)***.

17. Having heard the learned counsel for the parties, we find that no connection has been found between the appellants and

the buyers nor there any *inter se* connection between the sellers. The only common connection that is found is the purchase of shares by the appellants from the Roongtas which, in our opinion, is insufficient for inasmuch as there is no meeting of minds or common intention of the appellants with the Roongtas to manipulate the price of the scrip. Apart from purchasing the scrip by the appellants from the Roongtas there is no other evidence. The WTM has itself given a finding that there is no one-to-one relationship of the parties to the trades or identifiable connection between the buyers to treat them as a group. Thus, no connection is found between the buyers and the appellants. There is no *inter se* connection between the sellers of having sold the shares with a common intention to increase the price. There is no finding with regard to pattern of trades made by the sellers.

18. The finding of the WTM that the appellants were, however, found guilty of unilaterally increasing the price of the scrip is patently erroneous and based on surmises and conjectures. Admittedly, in the instant case the buyer was placing the buy orders above the LTP and the trades of the appellants matched with the price depicted by the buyer. In such a scenario, the seller cannot be found guilty of manipulating the

price nor can he be found guilty for increasing the price. Since the buyer had placed the buy orders above the LTP and whose buy orders got executed at a higher price, in our opinion, it is the buyer at whose instance the price has increased and therefore can be termed as a manipulator. Looking from any angle, the seller would look silly if he sells his shares at a lower price knowing fully well that the system is showing that the shares could be sold at a higher price. It is a common sense that a seller will always like to get the best price for his shares. Thus, on this score we find that the appellants as sellers are not manipulators nor have played any role in increasing the price of the share of the Company.

19. We also find that initially the buyers were restrained from buying and selling on the basis of an interim order which order was confirmed. After further investigation SEBI found that the buyers had no role in manipulating the price of the scrip and consequently revoked the orders and did not issue any show cause notice.

20. We are of the view that once the buyers have been let off the question of penalizing the sellers, namely, the appellants in the facts of the present case does not arise.

21. We also find that it is the consistent view of SEBI of not penalizing the sellers who have contributed less than 1% and is fully applicable in the instant case. All the sellers have contributed less than 1% of the total volume. Thus, on the aforesaid short ground, the impugned orders also cannot be sustained.

22. The show cause notice alleged that RRSPL had devised a scheme to manipulate the price of the scrip by issuing an advertisement after buying the shares from the promoter entities and manipulating price of the scrip through various entities. Further RRSPL dealt in the suspended scrip and issued fake contract notes. Shri Anil Satyanarayan Roongta and Sudha Anil Roongta are Noticee nos. 8 and 9 and directors of RRSPL and are Appellants nos. 1 and 2 in Appeal no. 199 of 2021. Appellant no. 3 is A.K. Roongta HUF whose Karta is Appellant no. 1. RRSPL is a registered broker having membership with Bombay Stock Exchange (BSE) and National Stock Exchange of India Ltd. (NSE).

23. The Roongtas contended that the entire transaction was sourced and concluded by one Subhash Maheshwari and that RRSPL only acted as a broker to the transactions between the buyers and sellers. In this regard a memorandum of

understanding was executed between Vijay Kumar Jain, director in Mishka and Subhash Maheswari wherein Subhash Maheshwari was mandated to sell the shares of Mishka. It was contended that RRSPL only acted as a broker and shares were directly transferred from the seller to the buyer. Further RRSPL never issued an advertisement nor does the advertisement purport to state the name of Mishka.

24. It was also urged that the principles of natural justice was violated as the Roongtas had sought cross-examination of those buyers who had stated that they purchased the shares based on the advertisement. The WTM found the Roongtas to be the kingpins in the devise formulated by them which led to the manipulation of the price. The WTM found that they were acting as a principal and not as an agent.

25. In this regard, we find that the contention of the appellant that the principles of natural justice was violated as they were not given an opportunity to cross-examine the buyers is patently erroneous and is irrelevant to the issue involved. The contention that RRSPL was approached by Subhash Maheshwari who had informed that he had buyers who were willing to purchase the shares of Mishka and that the entire transaction were sourced and concluded by Subhash Maheshwari and therefore the

appellants acted as broker and not as a principal between the buyers and sellers is patently erroneous. The WTM has rightly disbelieved this theory and found that memorandum of understanding was only a piece of paper which was never acted upon and was procured to camouflage the scheme devised by the Roongtas.

26. We find that the Noticee nos. 8 and 9 being directors of RRSPL had devised a scheme whereby they purchased the entire shareholding from the promoters and promoter entities at the rate of R.s 5.00 per share and paid valuable consideration. The proof of payment has been depicted by the WTM in its order which fact has not been disputed by the noticees in their appeals nor disputed before us. The fact that Roongtas had paid valuable consideration to the erstwhile promoters of their shares proves that they were acting as a principal and not as an agent. The contention of these noticees that they were acting as brokers is totally erroneous and cannot be believed.

27. We also find that RRSPL had become a single contact point for the buyers of the scrip through the Roongtas. The WTM was justified in holding that when the shares were purchased off market and the issuance of contract notes was a fake transaction as there was no genuine need to issue a contract

note for off market transaction in a suspended stock like Mishka. The evidence on record clearly indicates that the funds moved directly from RRSPL's account to the erstwhile promoters and there was non-levy of brokerage for transactions and consequently the findings that the Roongtas acted as principal and not as an agent broker was rightly arrived at by the WTM.

28. We find from the record that the erstwhile promoters received Rs. 21,20,500/- directly from RRSPL and another sum of Rs. 3,58,500/- was received directly from the buyers through RRSPL. No explanation has been given by these appellants before us. The third appellant A.K. Roongta HUF is Noticee no. 12 and Karta of this HUF is Noticee no. 8 who traded the shares through HUF in violation of Regulation 3 and 4 of the PFUTP Regulations as has been depicted clearly in the impugned order. In our opinion, these appellants had planted a fraudulent scheme in the securities market whereby a fake stock was identified, activated and consequently transferred to certain entities in the market. This apart all the transactions initiating from the act of purchase of the promoter shares and spreading it out in the market was manipulative and fraudulent. Subsequently, the Roongtas manipulated the price of the scrip and therefore in our

opinion Noticee no. 8, 9 and 12 violated the Regulation 3 and 4 of the PFUTP Regulations.

29. In view of the aforesaid, the impugned order of the WTM insofar as it relates to Noticee nos. 8, 9 and 12 is affirmed and consequently Appeal no. 199 of 2021 (Anil Satyanarayan Roongta, Sudha Anil Roongta and A.K. Roongta HUF) is dismissed. The orders of the WTM and AO insofar as it relates to remaining appellants are quashed. Their appeals are allowed with no order as to costs. Miscellaneous applications are disposed of.

30. This order will be digitally signed by the Private Secretary on behalf of the bench and all concerned parties are directed to act on the digitally signed copy of this order. Certified copy of this order is also available from the Registry on payment of usual charges.

Justice Tarun Agarwala
Presiding Officer

Ms. Meera Swarup
Technical Member

14.02.2023
msb