BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER NO. Order/MC/DS/2020-2021/ 9408]

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

In respect of –

1. **Nisha Amitkumar Gupta (PAN:BAFPG7232Q)** having address at - Room No. 10 Kondilkar Chawl, Near Shreepal Complex, Hendrepada, Thane 421503

In the matter of PMC Fincorp Limited.

BACKGROUND

1. Securities and Exchange Board of India (hereinafter be referred to as, "**SEBI**") initiated adjudication proceedings under Section 15HA of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as **'SEBI Act'**), against **Nisha Amitkumar Gupta (Nisha / Noticee)** for the alleged violations of Section 12A(a),(b),(c) of SEBI Act, 1992 read with Regulation 3(a),(b),(c),(d) and Regulations 4(1), 4(2) (a), (e) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 (hereinafter referred to as **'PFUTP Regulations'**) pursuant to investigation in the scrip of PMC Fincorp Limited (hereinafter referred to as **'PMC / Scrip / Company'**) for the period March 29, 2012 to March 31, 2015 (**IP/investigation period**).

APPOINTMENT OF ADJUDICATING OFFICER

2. SEBI appointed the undersigned as Adjudicating Officer (hereinafter referred to as "**AO**") vide order dated June 26, 2020 to inquire into and adjudge under section 15HA of the SEBI Act, the aforesaid alleged violations against the

Noticee. The appointment of the AO was communicated vide order dated June 30, 2020.

SHOW CAUSE NOTICE, REPLY AND HEARING

3. Show Cause Notice No. EAD5/MC/DPS/11978/2020 dated July 21, 2020 (hereinafter be referred to as, the "**SCN**") was served upon the Noticee under Rule 4(1) of the Adjudication Rules to show cause as to why an inquiry should not be held and penalty be not imposed against her under Section 15HA of SEBI Act, 1992, for the alleged violations of Section 12A(a),(b),(c) of SEBI Act, 1992 read with Regulation 3(a),(b),(c),(d) and Regulations 4(1), 4(2) (a), (e) of PFUTP Regulations.

4. The allegations levelled against the Noticee in the SCN are summarized as below:

5. SEBI conducted an investigation in the scrip of PMC Fincorp Limited for the period March 29, 2012 to March 31, 2015 (**IP/investigation period**).

6. During this period, the price of the scrip opened at Rs.430, reached a high of Rs. 880 and closed at Rs. 838.90 i.e., a rise of 95.09%. Buy LTP analysis of the 20 connected entities during this period is tabulated below –

Sr. No.	Buyer Name	All trades			LTP Diff. >0			LTP Diff. < 0			LTP Diff. =0		% of +ve LTP to Total Market +ve LTP
		Sum of LTP diff	Sum of QTY	No of trades	LTP impact	QTY traded	No of trades	LTP impact	QTY traded	No of trades	QTY traded	No of trades	
1	Rolex Vinimay Pvt Ltd	345.55	722974	8640	541.05	70902	334	-195.50	22240	161	629832	8145	8.99
2	Famous Investment Consultants Private Limited	208.05	820428	7532	487.95	80842	355	-279.90	30200	233	709386	6944	8.11
3	Shivdarshan Sales Pvt Ltd	122.80	782113	7655	566.55	61989	351	-443.75	42024	267	678100	7037	9.42
4	Economy Suppliers Pvt Ltd	37.10	194174	2272	209.20	19282	108	-172.10	6146	95	168746	2069	3.48
5	Nisha Amitkumar Gupta	37.05	130	22	37.05	44	4	0	0	0	86	18	0.62
6	Seabird Vincon Pvt Ltd	14.85	169912	1578	148.75	18164	106	-133.90	7067	75	144681	1397	2.47
7	Embassy Sales Private Limited	12	155060	2484	271.20	11978	138	-259.20	5858	132	137224	2214	4.51
8	Vivek Kesarwani	5.85	29420	162	6.50	1427	4	-0.65	300	2	27693	156	0.11
9	Laxmi Narain Kesarwani	5.45	43400	241	5.45	2757	13	0	0	0	40643	228	0.09
10	Nitin Aggarwal HUF	3.55	4000	53	3.60	523	6	-0.05	125	1	3352	46	0.06
11	S K Aggarwal HUF	0	1500	15	0	0	0	0	0	0	1500	15	0

12	M K Aggarwal HUF	0	2104	17	0.05	140	1	-0.05	10	1	1954	15	0
13	Ashu Goyal	0	400	13	0	0	0	0	0	0	400	13	0
14	M K N Commodity Brokers Private Limited	-0.05	963	35	1	3	1	-1.05	60	2	900	32	0.02
15	Amitkumar Radheshyam Gupta	-3	56	17	2	12	1	-5	4	1	40	15	0.03
16	Mindex Capital Market Private Limited (Formerly known as MKN Equity Brokers Pvt. Ltd.)	-10	1150	7	0.05	50	1	-10.05	500	2	600	4	0
17	J M S Financial Services Ltd.	-11.65	6152	178	15.15	200	11	-26.80	445	8	5507	159	0.25
18	Seabird Distributors Pvt Ltd	-29.90	290895	2442	148.80	22069	148	-178.70	9420	122	259406	2172	2.47
19	Seabird Retails Pvt Ltd	-142	254687	2062	155.40	21597	136	-297.40	13779	143	219311	1783	2.58
20	Nishant Inbuild Limited	-174.95	166251	1026	187.75	23435	97	-362.70	14900	173	127916	756	3.12
Total of connected entities having Net +ve LTP contribution		**792.25**	**2921611**	**30639**	**2277.30**	**267908**	**1419**	**-1485.05**	**113960**	**966**	**2539743**	**28254**	**37.85**
Total of connected entities		**420.70**	**3645769**	**36451**	**2787.50**	**335414**	**1815**	**-2366.80**	**153078**	**1418**	**3157277**	**33218**	**46.33**
Total of Mkt		**408.90**	**4173061**	**44330**	**6016.60**	**389754**	**2815**	**-5607.70**	**190800**	**2167**	**3592507**	**39348**	**100**

7. The connected entities contributed Rs. 2787.50 (46.33% of the market +ve LTP) to the market +ve LTP.

8. The connected entities listed at Sr. No. 1 to 10, having net +ve LTP contribution, contributed Rs. 2277.30 (37.85% of the market +ve LTP) to the market +ve LTP. It was also observed that the net LTP contribution by entities from Sr. No. 1 to 10 was Rs. 792.25 whereas the net LTP contribution of the market was Rs. 408.90.

9. From trading analysis, it was observed that the following 33 entities had traded among themselves and the details are as follows -

Sr. No.	Buyer → / Seller ↓	+LTP in Rs.								Total +LTP in Rs.
		Famous Investment Consultants Pvt Ltd	Economy Suppliers Private Limited	Embassy Sales Private Limited	Rolex Vinimay Private Limited	Seabird Vincon Private Limited	Shivdarshan Sales Private Limited	Laxmi Narain Kesarwani	Nisha Amitkumar Gupta	
1	J M S Financial Services Ltd.	28	-	7.05	23	4	29.85	-	-	91.90
2	Nishant Inbuild Limited	7	2.10	22	9.50	-	17.25	-	-	57.85
3	Prabudh Securities Private Limited	1	-	-	-	-	-	-	-	1
4	Vimgi Investment Private Limited.	-	-	4	0.05	-	1	-	-	5.05
5	S K Aggarwal HUF	-	-		0.05	-	1	-	-	1.05

6	Famous Investment Consultants Pvt Ltd	-	-	10.25	1	0.30	-	-	-	11.55
7	SS Corporate Securities Limited	0.05	-	-	-	-	4.05	0.25	-	4.35
8	Economy Suppliers Private Limited	1.05	-	5	6	-	0.15	-	-	12.20
9	Embassy Sales Pvt Ltd	9	3.50	-	0.50	3	16.85	-	-	32.85
10	Gulshan Investment Company Limited	0.10	2	-	2.10	0.05	2.10	-	-	6.35
11	Parnami Capital Services Limited	-	-	0.05	2.05	-	1.10	-	-	3.20
12	Rolex Vinimay Pvt Ltd	-	4.50	-	-	-	5.50	-	-	10
13	M K N Commodity Brokers Pvt Ltd	9.20	1.05	6.95	1.20	-	22.95	-	20.10	61.45
14	M K Aggarwal HUF	-	3.75	-	-	-	10	-	-	13.75
15	Raghav Bahl	54.70	13.30	9.95	90.20	8.60	73.40	-	-	250.15
16	Seabird Retails Pvt Ltd	4.05	6.75	0.50	8	-	16.50	0.15	-	35.95
17	Seabird Vincon Pvt Ltd	-	-	5.50	-	17.45	12.95	-	-	35.90
18	Seabird Distributors Private Limited	2.30	-	-	-	-	5	-	-	7.30
19	Shivdarshan Sales Private Limited	-	-	-	5	4.25	2.95	-	-	12.20
20	Shankar Somani	0.20	-	-	1.30	-	1.30	0.10	-	2.90
21	Meena Singhal	0.10	0.10	-	10.05	0.10	0.20	-	-	10.55
22	Anju Dewan	-	-	0.05	1.05	-	3.15	-	-	4.25
23	Aman Dewan	0.35	-	-	-	-		-	-	0.35
24	Ritu Kapur	0.35	0.10	-	0.50	-	1.05	-	-	2
25	Mayank Aggarwal	-	-	-	1	-	-	-	-	1
26	Himanshu Aggarwal	0.10	-	-	-	-	-	-	-	0.10
27	Nupur Aggarwal	-	-	-	-	-	1.25	-	-	1.25
28	Sakshi Aggarwal	-	-	-	3.50	-	-	-	-	3.50
29	Ashu Goyal	-	-	3.90	-	-	-	-	-	3.90
30	Satish Singhal	1.10	-	0.10	-	-	-	-	-	1.20
31	Veena Jain	-	-	-	-	-	0.55	-	-	0.55
Total		**118.65**	**37.15**	**75.30**	**166.05**	**37.75**	**230.10**	**0.50**	**20.10**	**685.60**

10. From the table above, it was observed that Noticee along with 32 entities traded among themselves and contributed Rs. 685.60 (455 trades) to the market +ve LTP, which is 11.40% of the market +ve LTP.

11. Entities at Sr. No. 1 to 31 (sellers) namely, JMS, Nishant, Prabudh, Vimgi, S K HUF, Famous, SSCSL, Economy, Embassy, Gulshan, Parnami, Rolex, M K N Commodity, M K HUF, Raghav, Seabird Retails, Seabird Vincon, Seabird Distributors, Shivdarshan, Shankar, Meena, Anju, Aman, Ritu, Mayank, Himanshu, Nupur, Sakshi, Ashu, Satish and Veena, allegedly aided other eight entities (buyers) namely Famous, Economy, Embassy, Rolex, Seabird Vincon, Shivdarshan, Laxmi and the Noticee by selling shares to increase the price of the scrip.

12. Also, Noticee along with seven Entities (buyers) namely, Famous, Economy, Embassy, Rolex, Seabird Vincon, Shivdarshan, Laxmi, having net +ve LTP

contribution, contributed Rs. 2267.20 (37.68% of the market +ve LTP) to the market +ve LTP.

13. In view of the significant +ve LTP contribution by the entities by trading among themselves it was alleged that Noticee along with the aforesaid 32 entities, i.e. JMS, Nishant, Prabudh, Vimgi, S K HUF, Famous, SSCSL, Economy, Embassy, Gulshan, Parnami, Rolex, M K N Commodity, M K HUF, Raghav, Seabird Retails, Seabird Vincon, Seabird Distributors, Shivdarshan, Shankar, Meena, Anju, Aman, Ritu, Mayank, Himanshu, Nupur, Sakshi, Ashu, Satish, Veena and Laxmi, created misleading appearance of trading and manipulated the price of the scrip by contributing to the price rise and thereby it was alleged that the Noticee violated Section 12A(a),(b),(c) of SEBI Act, 1992 r/w Regulation 3(a),(b),(c),(d) and Regulation 4(1), 4(2) (a), (e) of PFUTP Regulations.

14. The aforesaid alleged violations, if established, make the Noticee liable for monetary penalty under Section 15HA of the SEBI Act.

15. The SCN was served to the Noticee by email on July 21, 2020. Vide email dated August 1, 2020, Noticee filed its reply.

16. The key submissions of the Noticee are summarized as below:
    a) Noticee sumitted that she is a housewife having income from Sewing & Tuitions.
    b) She opened a D-MAT account on 04th March 2014 & has invested in various shares through her husband Shri Amitkumar Radheysham Gupta.
    c) Purchased 180 shares of PMC & sold the same and made a small profit of Rs.7150/- on the same.
    d) She did not created any misleading appearances of trading or manipulated the price of the scrip by contributing to the price rise as is alleged in the Notice and has not violated Section 12A(a),(b),(c) of SEBI

Act, 1992 r/w Regulation 3(a),(b),(c),(d) and Regulation 4(1), 4(2) (a), (e) of PFUTP Regulations.

e) Noticee submitted that she does not have any personal association / connection with any of the entities mentioned. Shri Dhirendra is a far off relative of her husband whom she does not know nor does she know about his association with the company. Noticee also stated that she does not understand how his address is being shown against her husband's PAN.

f) Noticee also requested for the documents obtained for the address against her husband's PAN, so as to enable her to track the document and correct or cancel the same.

17. Accordingly, vide email dated August 5, 2020, Noticee was provided with the documents as desired in its reply dated August 1, 2020 and an opportunity of hearing was provided to the Noticee on August 24, 2020 through video conferencing. In this regard, Noticee vide email dated August 7, 2020 informed that her husband, Mr. Amitkumar Radheyshyam Gupta would be attending the hearing on her behalf. Hearing on August 24, 2020 was attended by Noticee's Authorised Representative (AR) – Mr. Amitkumar Radheyshyam Gupta who reiterated the submissions made in the reply dated August 1, 2020.

18. Noticee vide email dated August 31, 2020, filed additional submissions, stating that her husband Mr. Amitkumar Radheyshyam Gupta had gone to Delhi in January 2009 for work. He joined Neelam Portfolio in Delhi. They required address proof of Delhi for letting him work with them. As he was staying in a lodge, he requested Shri Dhirendra Gupta who was his uncle (as informed during hearing) for submitting his address as proof of Delhi Address. After receiving his permission he submitted Shri Dhirendra Gupta's address at Neelam Portfolio. They also opened a DMAT Account with them in her Husband's name. In December 2010 he left the job at Neelam Portfolio, and after submitting his resignation & DMAT account closing form, he shifted to Mumbai. He did not cross check with Neelam Portfolio whether his DMAT

Account has been closed or not. After receiving documents, they approached a friend in Delhi and he informed that Neelam Portfolio has closed down in 2012. Noticee submitted that she had nothing to do with Shri Dhirendra Gupta in connection with the said shares.

19. As the inquiry in the matter has been completed, I now proceed to decide the case on the basis of SCN issued, replies made by the Noticee and material available on record.

CONSIDERATION OF ISSUES AND FINDINGS

20. The issues that arise for consideration in the instant matter are:

Issue No. I Whether Noticee is in violation of Section 12 A(a),(b),(c) of SEBI Act, 1992 r/w Regulation 3(a),(b),(c),(d) and Regulation 4(1), 4(2) (a), (e) of PFUTP Regulations as alleged in the SCN?

Issue No. II If yes, whether the failure, on the part of the Noticee would attract monetary penalty under Section 15HA of the SEBI Act?

Issue No. III If yes, what would be the monetary penalty that can be imposed upon the Noticee taking into consideration the factors stipulated in Section 15J of the SEBI Act read with Rule 5(2) of the Adjudication Rules?

Issue No. I **Whether Noticee is in violation of Section 12 A(a),(b),(c) of SEBI Act, 1992 r/w Regulation 3(a),(b),(c),(d) and Regulation 4(1), 4(2) (a), (e) of PFUTP Regulations as alleged in the SCN?**

21. The allegation against the Noticee is that the Noticee along with the 32 connected entities traded among themselves and contributed Rs. 685.60 (in 455 trades) to market +ve LTP, which is 11.40% of the market +ve LTP during the investigation period of March 13, 2014 to October 21, 2014, thereby artificially raising the price of the scrip.

22. In her reply Noticee has stated that it purchased 180 shares of PMC and sold the same and made a profit of Rs. 7150/- on the same. Hence, the trade log of the Noticee was examined to verify the LTP contribution by the Noticee through her buy trades as well as sell trades. The following was noted from the trade log:

Trade	Name	All trades			LTP Diff. >0			LTP Diff. < 0			LTP Diff. =0		% of +ve LTP to Total Market +ve LTP
		Sum of LTP diff	Sum of QTY	No of trades	LTP impact	QTY traded	No of trades	LTP impact	QTY traded	No of trades	QTY traded	No of trades	
Buy Trade	Nisha	37.05	130	22	37.05	44	4	0	0	0	86	18	0.62
Sell Trade	Nisha	-15.65	130	34	0.25	2	1	-15.9	62	5	66	28	0.00
Total of Mkt		408.9	4173061	44330	6016.6	389754	2815	-5607.7	190800	2167	3592507	39348	100

23. From the above, I note that during the relevant period, the Noticee purchased a total of 130 shares in 22 trades on 5 trading days and sold total 130 shares in 34 trades on 6 trading days during the investigation period. The buy and sell trades were on the same days except for purchase of 50 shares on 19/03/2014 and sale of 60 shares on 28/03/2014 and 31/03/2014. Noticee thus purchased and sold equal quantity of shares and her net purchase is Nil. Considering that the Noticee bought and sold an equal quantity of shares during the 6 days she traded, with both buying and selling on 4 days (24 to 27/03/14) as seen from the trade log, the price impact of her trades cannot be seen solely on the basis of buy trades. With buy and sell trades on the same day, the impact of the trades has to be measured in totality.

24. The net LTP contribution by the Noticee's buy trades is Rs.37.05. However, the sell trades of the Noticee have a net LTP contribution of negative Rs.15.65. Therefore the actual LTP contributed by the Noticee based on all her trades is Rs.21.4. I also note from the SCN, that 2 of the Noticee's trades matched with MKN Commodity Brokers, one of the 32 entities which are alleged to be connected. These 2 trades contributed to +ve LTP of Rs20.10 out of +ve LTP contribution of Rs. 685.60 (in 455 trades) attributed to Noticee along with the 32 connected entities.

25. On further analysis of the Noticee's 2 trades which contributed to +ve LTP of Rs. 20.10 following is observed-

a) Buy trade on March 19, 2014 which contributed to +ve LTP of Rs. 20.

Client Name	Counter Party Client Name	ORDER_NO	CP_ORDER_NO	TRADE _TIME	TRADE _RATE	LTP _RATE	ORDER _RATE	CP _ORDER _RATE	TRADED _QTY	ORDER _QTY	CP _ ORDER _QTY	ORDER_ LMRATE
Nisha	M K N Commodity Brokers Private Limited	13000107001385	14000134011964	9:30:15	530	20	430	530	5	50	5	530
Nisha	Rekha Anjana	13000107001385	18000140004464	9:30:56	530	0	430	530	5	50	25	530
Nisha	Rekha Anjana	13000107001385	18000140004464	9:30:56	530	0	430	530	5	50	25	530
Nisha	Rekha Anjana	13000107001385	18000140004464	9:30:56	530	0	430	530	5	50	25	530
Nisha	Rekha Anjana	13000107001385	18000140004464	9:30:56	530	0	430	530	5	50	25	530
Nisha	Rekha Anjana	13000107001385	18000140004464	9:30:56	530	0	430	530	5	50	25	530
Nisha	Nitin Jakhetia	13000107001385	16000121024105	9:31:10	530	0	430	530	5	50	25	530
Nisha	Nitin Jakhetia	13000107001385	16000121024105	9:31:10	530	0	430	530	5	50	25	530
Nisha	Nitin Jakhetia	13000107001385	16000121024105	9:31:10	530	0	430	530	5	50	25	530
Nisha	Nitin Jakhetia	13000107001385	16000121024105	9:31:10	530	0	430	530	5	50	25	530

b) From the extract of the trade log shown above, I note that Noticee placed 1 buy order (i.e. Order No. 13000107001385) for 50 shares at Rs. 430/- at 09:15:00 AM. After 5 minutes, M K N Commodity Brokers Private Limited (MKN) placed 1 sell order (i.e. Order No. 14000134011964) for 5 shares at Rs. 530/- at 09:20:55 AM. However the order remained unexecuted as at that point in time there were no sell orders pending in the system. Noticee modified its buy order by increasing its rate to Rs.530/- at 09:30:15 AM. As the sell order of MKN was already there in the system for Rs.530/-, it got matched with the Noticee Order when the Noticee modified it to Rs.530/- for 5 shares.

c) I also note that the same buy order (i.e. Order No. 13000107001385) of the Noticee got matched with 2 other counterparties i.e. Rekha Anjana for 25 shares at Rs. 530/- at 09:30:56 AM in 5 trades and with Nitin Jakhetia for 20 shares at Rs. 530/- at 09:31:10 AM in 4 trades, as the Noticee's buy order was available in the system. Further in all these 9

trades there was no LTP contribution, and these entities are not alleged to be connected to the Noticee.

d) Noticee's buy trade on March 24, 2014 which contributed to +ve LTP of Rs. 0.10/-

Client Name	Counter Party Client Name	ORDER_NO	CP_ORDER_NO	TRADE _TIME	TRADE _RATE	LTP _RATE	ORDER _RATE	CP _ORDER _RATE	TRADED _QTY	ORDER _QTY	CP _ ORDER _QTY	ORDER_ LMRATE
Nisha	M K N Commodity Brokers Private Limited	19000149117196	12000120003049	10:26:16	535	0.1	535	535	9	20	10	535

e) From the trade log and extract shown above, I note that Noticee buy order entered at 10:26:16 got matched with the counterparty MKN order entered at 9:25:08 which was already available in the system for Rs.535/-. Further, this trade had negligible impact of Rs. 0.10/- in terms of LTP contribution.

26. On alleged connection of the Noticee with group of 32 entities, I note that Noticee has explained use of Delhi address of her husband's uncle, Dhirendra Kumar, by her husband when opening a trading account in Delhi in the year 2009. It is shown in investigation that Dhirendra Kumar is a director of Nishant Inbuilt, one of the 32 entities. However, there is no connection shown between Dhirendra Kumar or Nishant Inbuilt with MKN Commodity Brokers. Hence, it is difficult to conclude that the 2 trades of Noticee out of its total 22 buy trades and 34 sell trades were carried out with collusion with the counterparty. It is also pertinent that the trade which contributed to Rs.20 LTP increase was from an order which matched with 2 other counterparties at the same price.

27. Further, on analyzing the trade log of Noticee for the 22 trades which contributed +ve LTP of Rs. 37.05 (0.62% of the market +ve LTP), it is seen that out of 22 buy trades, positive LTP trades is only in 4 trades. In these 4 trades, sell orders were already there in the market at prices higher than LTP. Buy orders of Noticee were placed after respective sell orders of counterparties. I have also noted from record that the counter parties to the trades with the

Noticee were scattered. No connections of the Noticee have been found with the sellers.

28. Hence, the trading pattern by the Noticee of engaging in daily trades on both buy and sell side with varying quantity of shares traded, causing both negative and positive LTP contribution and with no collusion or connection with any other entity, does not substantiate the charge of price manipulation.

29. In view of the above, I find that the allegation levelled against Noticee regarding violation of Section 12 A(a),(b),(c) of SEBI Act, 1992 r/w Regulation 3(a),(b),(c),(d) and Regulation 4(1), 4(2) (a), (e) of PFUTP Regulations does not stand established.

30. Therefore, issues II and III do not merit consideration.

ORDER

31. In view of the findings noted in the preceeding paragraphs, the adjudication proceeding initiated against the Noticee i.e. Nisha Amitkumar Gupta vide SCN dated July 21, 2020 are disposed of.

32. Copy of this Adjudication Order is being sent to the Noticee and also to SEBI in terms of Rule 6 of the Adjudication Rules.

DATE: OCTOBER 20, 2020 **MANINDER CHEEMA**

PLACE: MUMBAI **ADJUDICATING OFFICER**