

WTM/AB/IVD/ID7/13161/2021-22

**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 respect of:

Noticee no.	Noticee Name	PAN
1	Shri Jinesh Devendra Bhatt	AKDPB6133C
2	Smt Pooja Jinesh Bhatt	AOLPB5611F
3	Shri Deepak Pandurang Vikhape	AFCPV3352H
4	Shri Krushnakumar Guruvachan Brahmbhatt	ADSPB6848E
5	Smt Prarthana Tarunkumar Brahmbhatt	AGLPB2425P
6	Smt Dipika Krushnakumar Brahmbhatt	AUTPB8108P
7	M/s Kreative Finsol Private Limited	AADCK8879M
8	M/s Aristo Media And Entertainment Private Limited	AAICA2155K
9	Smt Naina Sanjeev Malhotra	AHXPM7262L
10	Shri Sanjeev Ramesh Malhotra	AQDPM3057A
11	Shri Ankit Doshi	AIOPD3203G
12	M/s Ethan Constructions Private Limited	AACCE2711P
13	Shri Milan Hasmukhrai Deliwala	AEBPD5759A
14	Shri Rajendrakumar Munna Prasad Gupta	AJUPG3867E
15	M/s Jabeen Tradelink Private Limited	AACCJ2408A
16	M/s Black Horse Media And Entertainment Private Limited	AADCB5849G
17	M/s Naseen Tradelink Private Limited	AADCN1075A
18	Shri Maheshchandra Chunilal Shah	AIOPS3870Q
19	Shri Dharmendra Rikhinchandra Shah HUF	AAEHD6246F
20	M/s Narois Impex Private Limited	AADCN1076D
21	M/s Magan Mercantile Pvt Ltd	AAGCM2167D

22	M/s Avance Technologies Limited	AAECA5763B
23	Shri Pritesh H Gala	AIJPG6591R
24	Smt Jayvantiben D Dedhia	AIRPD0247R
25	Shri Bipin Bapu Kamble	BBTPK6916Q
26	Ms Anusaya Shankar Sawant	CZQPS7886B
27	Shri Nagmaheshwar Balraj Yellamelli	ABLPY9972D
28	M/s Nishottam Traders Private Limited	AACCN7655D
29	Shri Mahavirsingh N Chauhan	AQOPC6330R
30	Smt Anita Rakeshkumar Ranka	ADRPR5359R
31	M/s SKR Supreme Electronics & Trading Private Limited	AAECS9028D
32	M/s Coastal Fertilisers Limited	AAACH6567J
33	M/s Venkateswara Capital Management Limited	AAACH6568H
34	M/s Godavari Commercial Services Private Limited	AABCG1461B
35	Shri Alpesh Kanubhai Gohil	A0SZPG1756E
36	M/s Sanmay Trading Private Limited	AANCS8490A
37	M/s Acacio Tradelink Private Limited	AAICA0609G

(The aforesaid entities are hereinafter referred to by their respective names / Noticee numbers and collectively as “the Noticees”)

In the matter of Allied Computers International (Asia) Limited

1. Present proceedings have emanated from a show cause notice dated July 25, 2017 (hereinafter referred to as “**the SCN**”), issued by Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”) to the Noticees for their trading activities in the scrip of Allied Computers International (Asia) Limited (hereinafter referred to as “**ACIL**”/ “**the Company**”) during the period from November 23, 2007 to September 22, 2012 (hereinafter referred to as “**the Investigation Period**”), alleging therein the violations of Regulations 3(a),(b),(c),(d) and Regulation 4(1), 4(2) (a) and (e) of SEBI (Prevention of Fraudulent and unfair trading activities relating to the Securities Market) Regulations, 2003 (hereinafter referred to as “**PFUTP Regulations, 2003**”), by the Noticees. The SCN issued to the Noticees, also contained the copies of documents relied upon in the SCNs, which are as detailed below:

Annexure No.	Details
1.	Basis of Connection of the entities
2.	Copies of KYC, MCA documents, off-market details and relevant bank account statements.
3.	Trades of the 19 Entities in Patch-V
4.	Trades of the 28 Entities in Patch-VI
5.	Details of counterparties to preferential allottees

2. Prior to the issue of the SCN, on the basis of a reference received from the Income Tax Department that certain entities could have manipulated the price in the scrip of ACIL, as part of a larger scheme linked to the long term capital gains scam, SEBI had conducted an investigation in the trading activities in the scrip of ACIL.

Show Cause Notice, Replies, Personal Hearing and Submissions:

3. The brief facts and the allegations levelled against the Noticees, as given in the SCN, are as follows:
- (i) ACIL deals in Laptop Computers and markets the ACi brand in India and abroad. ACIL is currently undertaking services and maintenance contracts of all brands of laptops computers under PC Protection Plan. The Company got listed on BSE on November 23, 2007.
- (ii) It is observed from during investigation that the Company, for FYs 2008, 2010, 2011, 2012 & 2013, registered profits of Rs. 6.59 million, Rs. 0.98 million, Rs. 4.36 million, Rs. 7.55 million and Rs. 1.36 million, respectively. For FY 2009, ACIL registered a loss of Rs. 1.25 million. During the investigation period, corporate announcements made by ACIL broadly included declaration

of financial results, split & consolidation of shares and meetings of the Board of Directors of the company.

(iii) The Price Volume data of the scrip on BSE for the period before, during and after the Investigation Period is given as follows:

Table: 1

Period		Duration		Opening Price/ vol on 1st day of period(`)	High Price/Vol during the Period(`)	Low Price/Vol during the Period(`)	Closing Price/ Vol on last day of period(`)	Avg no of shares traded daily during the period
Pre-Investigation		Listed on BSE on Nov 23, 2007						
Investigation	Pre-Sub Division of shares	Patch-I (23.11.2007 – 18.12.2007)	Price	21.00	78.30 (18.12.2007)	21.00 (23.11.2007)	74.35	2,579,250
			Vol	27,422,665	27,422,665 (23.11.2007)	193,467 (03.12.2007)	955,931	
		Patch-II (19.12.2007 – 18.12.2008)	Price	75.55	78.05 (19.12.2007)	3.95 (04.12.2008)	4.90	112,814
			Vol	1,427,318	1,524,150 (19.06.2008)	1,341 (12.11.2008)	371,157	
	Post-Sub Division of shares	Patch-III (19.12.2008- 28.06.2010)	Price	0.53	0.78 (08.06.2009)	0.35 (06.03.2009)	0.72	862,117
			Vol	3,159,522	12,343,611 (02.01.2009)	48,150 (06.02.2010)	1,683,852	
	Post-Consolidation of shares	Patch-IV (19.07.2010 – 26.12.2011)*	Price	7.25	9.61 (26.07.2010)	1.18 (26.12.2011)	1.20	30,803
			Vol	201,683	1,133,397 (26.07.2010)	200 (30.09.2011)	3,685	
		Patch-V (27.12.2011 – 04.05.2012)	Price	1.26	6.46 (04.05.2012)	1.17 (27.12.2011)	6.45	328,096
			Vol	14,246	2,845,011 (19.04.2012)	5 (03.03.2012)	1,134,244	
		Patch-VI	Price	6.57	6.57	1.09	1.30	353,051

Period	Duration		Opening Price/ vol on 1st day of period(')	High Price/Vol during the Period(')	Low Price/Vol during the Period(')	Closing Price/ Vol on last day of period(')	Avg no of shares traded daily during the period
	(05.05.2012 – 22.09.2012)			(07.05.2012)	(17.09.2012)		
		Vol	935,232	3,456,705 (05.09.2012)	5 (17.05.2012)	745,512	
Post-Investigation	23.09.2012- 23.12.2012	Price	1.36	1.36 (24.09.2012)	0.54 (30.11.2012)	0.69	208,036
		Vol	425,387	1,849,208 (25.09.2012)	1,104 (10.12.2012)	9,199	

*Trading in the scrip was suspended during the period June 29, 2010 to July 18, 2010 on account of the consolidation of shares.

(iv) It is observed during investigation that on the basis of price rise/fall, 6 patches were identified (3 price rise and 3 price fall). During Patch-I (November 23, 2007 – December 18, 2007)- Price rise patch, Patch-II (December 19, 2007 – December 18, 2008)- Price fall patch, Patch-III (December 19, 2008 – June 28, 2010) – Price rise patch and Patch-IV (July 19, 2010 – December 26, 2011) – Price fall patch, no adverse inference has been drawn.

(v) 49 connected entities were identified based on the analysis of KYC details, off-market transfers, MCA documents and bank account statements (of entities contributing >5% to +LTP/-LTP) for Patch-V (December 27, 2011 – May 04, 2012) – Price rise patch and Patch-VI (May 05, 2012 – September 22, 2012) – Price fall patch, which had significant top 10 LTP contribution and were analyzed for the patches V & VI. The said entities are collectively hereinafter referred to as “connected entities” or “the group”. The basis of connection is provided at Annexure 1 of the SCN. The copies of KYC, MCA documents, off-market details and relevant bank account statements were provided at Annexure 2 of the SCN. From analysis of KYC details, off-market & bank statements (of entities contributing >5% to +LTP/-LTP), no connection of the company with the connected entities could be established.

Patch-V (December 27, 2011 – May 04, 2012) – Price rise patch

(vi) 18 entities out of identified group of 49 connected entities have bought shares of ACIL during the said patch. The buy LTP analysis of the aforesaid 18 entities was carried out, the details of which is as follows:

Table: 2

S.No.	Buyer Name	All Trades			LTP Diff >0			LTP Diff <0			LTP Diff = 0		% of +LTP to Total Market +LTP
		LTP impact in `	QTY traded	No of trades	LTP impact in `	QTY traded	No of trades	LTP impact in `	QTY traded	No of trades	QTY traded	No of trades	
1	DHARMENDRA RIKHINCHANDRA SHAH	1.89	285,221	814	8.84	16,398	148	-6.95	41,656	152	227,167	514	25.24
2	MAHAVIRSINGH N CHAUHAN	1.63	628	34	2.02	77	22	-0.39	512	11	39	1	5.77
3	JINESH DEVENDRA BHATT	1.32	3,890,041	855	2.25	170,883	45	-0.93	61,189	55	3,657,969	755	6.42
4	SANJEEV RAMESH MALHOTRA	1.27	3,749,392	771	2.07	612,289	58	-0.80	149,603	51	2,987,500	662	5.91
5	NASEEN TRADELINK PRIVATE LIMITED	0.44	8,691	9	0.45	140	5	-0.01	100	1	8,451	3	1.29
6	POOJA JINESH BHATT	0.15	357,679	120	0.63	35,627	25	-0.48	13,967	35	308,085	60	1.80
7	DIPKA KRUSHNAKUMAR BRAHMBHATT	0.13	1,090,800	140	0.36	46,056	12	-0.23	103,654	9	941,090	119	1.03
8	NAINA SANJEEV MALHOTRA	0.08	373,610	106	0.16	17,700	4	-0.08	9,563	6	346,347	96	0.46
9	RAJENDRAKUMAR MUNINA PRASAD GUPTA	0.01	40,000	1	0.01	40,000	1	0.00	-	-	-	-	0.03
10	ALPESHKUMAR KANUBHAI GOHIL	0.00	56,000	5	0.00	-	-	0.00	-	-	56,000	5	0.00
11	MAHESHCHANDRA CHUNILAL SHAH	0.00	10	1	0.00	-	-	0.00	-	-	10	1	0.00
12	JASMIN S BAJORIYA	-0.01	20,000	6	0.00	-	-	-0.01	10,300	1	9,700	5	0.00
13	KRUSHNAKUMAR GURUVACHAN BRAHMBHATT	-0.01	197,410	42	0.14	43,500	6	-0.15	3,123	14	150,787	22	0.40
14	DEEPAK PANDURANG VIKHAPE	-0.02	408,502	47	0.01	100	1	-0.03	2,350	2	406,052	44	0.03
15	NAGMAHESHWAR BALRAJ YELLAMELLI	-0.03	692,939	770	2.03	32,464	77	-2.06	26,194	165	634,281	528	5.80
16	SANMAY TRADING PRIVATE LIMITED	-0.08	271,050	48	0.02	1,000	1	-0.10	7,393	5	262,657	42	0.06
17	ARISTO MEDIA AND ENTERTAINMENT PRIVATE LIMITED	-0.75	2,195,421	1,011	3.75	197,199	129	-4.50	395,486	324	1,602,736	558	10.71
18	ETHAN CONSTRUCTIONS PRIVATE LIMITED	-0.76	1,125,261	432	0.86	57,545	37	-1.62	168,245	109	899,471	286	2.46
Group Total		5.26	14,762,655	5,212	23.60	1,270,978	571	-18.34	993,335	940	12,498,342	3,701	67.37
Market Total		5.25	29,856,761	8,824	35.03	1,936,509	838	-29.78	1,439,538	1,144	26,480,714	6,842	100.00

(vii) As seen from above table, it was observed that entities at S.No. 1-9 contributed to net +LTP, entities at S.No. 10-11 contributed to net 0 LTP and the remaining entities contributed to net –LTP. The group entities contributed Rs. 23.60 (67.37% of the market +LTP) to the market +LTP. It was also observed that the net LTP contribution of the entities at S.No.1-9 was Rs. 6.92 in comparison to market net LTP of Rs. 5.25. Hence, the +LTP trades of entities at S.No. 1-9 have contributed significantly to the market net LTP.

(viii) From the trade analysis, it was observed that 21 group entities had traded among themselves during patch-V. The details of +LTP trades (trades by 19 entities out of the said 21 group entities) are as follows:

Table: 3

S. No.	Entity Name	+LTP trades as buyer with group entities				+LTP trades as seller with group entities				+LTP as buyer & seller (in Rs.)
		+LTP (in Rs.)	No. of trades	Qty	% of mkt +LTP	+LTP (in Rs)	No. of trades	Qty	% of mkt +LTP	
1	Dharmendra Rikhinchandra Shah	1.55	42	7,264	4.42	3.65	67	36,781	10.41	5.2
2	Aristo Media and Entertainment Private Limited	1.28	58	96,743	3.65	0.74	32	83,116	2.11	2.02
3	Nagmaheshwar Balraj Yellamelli	0.95	38	18,184	2.71	0	0	0	0	0.95
4	Mahavirsingh N Chauhan	0.85	7	25	2.43	0	0	0	0	0.85
5	Sanjeev Ramesh Malhotra	0.65	23	362,287	1.86	0.10	6	67,125	0.29	0.75
6	Naseen Tradelink Private Limited	0.45	5	140	1.28	0	0	0	0	0.45
7	Ethan Constructions Private Limited	0.43	16	29,445	1.23	0.64	33	89,491	1.82	1.07
8	Jinesh Devendra Bhatt	0.33	8	58,582	0.94	0.13	6	45,212	0.37	0.46
9	Pooja Jinesh Bhatt	0.2	7	32,806	0.57	0.07	2	351	0.20	0.27
10	Dipika Krushnakumar Brahmbhatt	0.11	3	3,855	0.31	0.18	13	82,453	0.51	0.29
11	Krushnakumar Guruvachan Brahmbhatt	0.02	2	43,100	0.06	0.54	32	39,768	1.54	0.56
12	Deepak Pandurang Vikhabe	0.01	1	100	0.03	0	0	0	0	0.01
13	Rajendrakumar Munna Prasad Gupta	0.01	1	40,000	0.03	0	0	0	0	0.01
14	Alpeshkumar Kanubhai Gohil	0	0	0	0	0.01	1	1,669	0.03	0.01
15	Sanmay Trading Private Limited	0	0	0	0	0.38	10	233,180	1.08	0.38
16	Maheshchandra Chunilal Shah	0	0	0	0	0.22	2	20	0.63	0.22
17	Anusaya Shankar Sawant	0	0	0	0	0.16	5	1,806	0.46	0.16
18	Bipin Bapu Kamble	0	0	0	0	0.01	1	1,559	0.03	0.01
19	Jabeen Tradelink Private Limited	0	0	0	0	0.01	1	10,000	0.03	0.01
Group Total		6.84	211	692,531	19.53	6.84	211	692,531	19.53	-

(ix) As can be seen from the table above, by trading among themselves, the group of connected entities contributed Rs. 6.84, which is 19.53% of the market +LTP. Further, the entities at S.No. 14-19 had aided other connected entities (S.No. 1-13) by selling shares to increase the scrip price. In view of the significant +LTP contribution by the group of connected entities by trading among themselves, it is alleged that the connected entities listed at the table above manipulated the price of the scrip by entering into trades resulting in price rise which has resulted in the alleged violation of Regulations 3(a),(b),(c) & (d) and 4(1), 4(2)(a)&(e) of PFUTP Regulations. Trades of the 19 entities were provided as Annexure 3 to the SCN.

Patch-VI (May 05, 2012 – September 22, 2012) – Price fall patch

(x) 36 entities out of identified group of 49 connected entities have sold shares of ACIL during the said patch. The sell LTP analysis of the aforesaid 36 entities was carried out, the details of which is as follows:

Table: 4

S.No.	Seller Name	All Trades			LTP Diff >0			LTP Diff <0			LTP Diff = 0		% of -LTP to Total Market -LTP
		LTP impact in `	QTY traded	No of trades	LTP impact in `	QTY traded	No of trades	LTP impact in `	QTY traded	No of trades	QTY traded	No of trades	
1	ANITA RAKESHKUMAR RANKA	-0.93	290,999	146	0.34	57,108	18	-1.27	73,789	32	160,102	96	3.87
2	DHARMENDRA RIKHINCHANDRA SHAH	-0.89	244,142	39	0.00	-	-	-0.89	1,609	12	242,533	27	2.71
3	NISHOTTAM TRADERS PRIVATE LIMITED	-0.61	1,502,382	369	0.82	99,433	26	-1.43	484,476	85	918,473	258	4.35
4	SANJEEV RAMESH MALHOTRA	-0.53	1,370,613	332	0.38	91,340	19	-0.91	18,540	25	1,260,733	288	2.77
5	NAINA SANJEEV MALHOTRA	-0.43	1,289,712	226	0.11	151,533	5	-0.54	100,410	12	1,037,769	209	1.64
6	NAGMAHESHWAR BALRAJ YELLAMELLI	-0.37	65,005	33	0.01	5	1	-0.38	11,000	20	54,000	12	1.16
7	JINESH DEVENDRA BHATT	-0.32	1,768,086	534	0.17	68,879	5	-0.49	11,896	6	1,687,311	523	1.49
8	DIPKA KRUSHNAKUMAR BRAHMBHATT	-0.28	1,050,130	292	0.02	600	2	-0.30	90,990	15	958,540	275	0.91
9	VENKATESWARA CAPITAL MANAGEMENT LTD	-0.20	525,000	24	0.01	25,000	1	-0.21	480,985	21	19,015	2	0.64
10	SKR SUPREME ELECTRONICS & TRADING PRIVATE LIMITED	-0.18	929,000	68	0.00	-	-	-0.18	183,550	8	745,450	60	0.55
11	GODAVARI COMMERCIAL SERVICES PRIVATE LIMITED	-0.13	2,200,000	25	0.02	100,000	1	-0.15	1,575,000	10	525,000	14	0.46
12	MAHAVIRSINGH N CHAUHAN	-0.12	624	2	0.00	-	-	-0.12	1	1	623	1	0.37
13	ALPESHKUMAR KANUBHAI GOHIL	-0.09	97,509	27	0.01	5,000	1	-0.10	4,993	3	87,516	23	0.30
14	BLACK HORSE MEDIA AND ENTERTAINMENT PRIVATE LIMITED	-0.04	21,600	7	0.00	-	-	-0.04	7,848	4	13,752	3	0.12
15	NARJOIS IMPEX PRIVATE LIMITED	-0.04	381,000	32	0.00	-	-	-0.04	3,929	4	377,071	28	0.12
16	ANKIT DOSHI	-0.03	30,000	51	0.01	5	1	-0.04	1,250	4	28,745	46	0.12
17	AKANSHA MEDIA AND ENTERTAINMENT PRIVATE LIMITED	-0.02	209,000	10	0.00	-	-	-0.02	27,700	2	181,300	8	0.06
18	MILAN HASMUKHRAI DELIWALA	-0.02	40,000	6	0.00	-	-	-0.02	10,000	2	30,000	4	0.06
19	AVANCE TECHNOLOGIES LIMITED	-0.01	284,961	18	0.00	-	-	-0.01	100	1	284,861	17	0.03
20	PRARTHANA TARUNKUMAR BRAHMBHATT	-0.01	185,000	55	0.13	8,011	3	-0.14	15,644	10	161,345	42	0.43
21	PRITESH H GALA	-0.01	50,000	37	0.08	4,226	4	-0.09	4,065	9	41,709	24	0.27
22	BLACK HORSE MEDIA AND ENTERTAINMENT PRIVATE LIMIED	0.00	51,000	20	0.00	-	-	0.00	-	-	51,000	20	0.00
23	CHAMPAKLAL JETHALAL SHAH	0.00	250,000	11	0.00	-	-	0.00	-	-	250,000	11	0.00
24	KREATIVE FINSOL PRIVATE LIMITED	0.00	10,000	1	0.00	-	-	0.00	-	-	10,000	1	0.00
25	MAGAN MERCANTILE PVT LTD	0.00	1,058,000	78	0.00	-	-	0.00	-	-	1,058,000	78	0.00
26	RAJENDRAKUMAR MUNNA PRASAD GUPTA	0.00	40,000	26	0.10	1,150	4	-0.10	13,431	8	25,419	14	0.30
27	SANMAY TRADING PRIVATE LIMITED	0.00	200,000	15	0.00	-	-	0.00	-	-	200,000	15	0.00
28	SAURABHKUMAR RASIKLAL GANDHI	0.00	50,000	106	0.00	-	-	0.00	-	-	50,000	106	0.00
29	YADON CONSTRUCTIONS PRIVATE LIMITED	0.00	6,500	4	0.00	-	-	0.00	-	-	6,500	4	0.00
30	ANUSAYA SHANKAR SAWANT	0.04	12,500	11	0.09	500	1	-0.05	600	5	11,400	5	0.15
31	NASEEN TRADELINK PRIVATE LIMITED	0.06	463,500	94	0.09	8,461	3	-0.03	5,449	2	449,590	89	0.09
32	TARUNKUMAR GURUCHARAN BRAHMBHATT	0.07	25,000	7	0.07	1	1	0.00	-	-	24,999	6	0.00
33	ACACIO TRADELINK PRIVATE LIMITED	0.09	3,628,294	245	0.12	281,500	4	-0.03	80,534	3	3,266,260	238	0.09
34	JAYVANTIBEN D DEDHIA	0.21	50,000	35	0.27	11,172	10	-0.06	1,725	5	37,103	20	0.18
35	ETHAN CONSTRUCTIONS PRIVATE LIMITED	0.25	334,828	133	0.30	48,543	24	-0.05	13,659	5	272,626	104	0.15
36	ARISTO MEDIA AND ENTERTAINMENT PRIVATE LIMITED	0.61	989,731	385	1.21	107,095	59	-0.60	19,457	21	863,179	305	1.83
Group Total		-3.93	19,704,116	3,504	4.36	1,069,562	193	-8.29	3,242,630	335	15,391,924	2,976	25.22
Market Total		-5.15	34,599,030	11,172	27.70	2,112,310	865	-32.85	4,485,169	1,527	28,001,551	8,780	100.00

(xi) As seen from above table, it was observed that entities at S.No. 1-21 contributed to net -LTP, entities at S.No. 22-29 contributed to net 0 LTP and the remaining entities contributed to net +LTP. The group entities contributed Rs.-8.29 (25.22% of the market -LTP) to the market -LTP. It was also observed that the net LTP contribution of the entities at S.No.1-21 was Rs. -

5.26 in comparison to market net LTP of Rs. -5.15. Hence, the -LTP trades of entities at S.No. 1-21 have contributed significantly to the market net LTP.

(xii) From the trade analysis, it was observed that 39 group entities had traded among themselves during patch-VI. The details of -LTP trades (trades by 28 entities out of the said 39 group entities) are as follows:

Table: 5

S. No.	Entity Name	-LTP trades as seller with group entities				-LTP trades as buyer with group entities				-LTP as buyer & seller (in Rs.)
		-LTP (in Rs.)	No. of trades	Qty	% of mkt -LTP	-LTP (in Rs.)	No. of trades	Qty	% of mkt -LTP	
1	Nishottam Traders Private Limited	-0.92	47	245,280	-2.80	-0.37	11	1,270	1.13	-1.29
2	Dharmendra Rikhinchandra Shah	-0.64	7	1,502	-1.95	-0.05	1	5	0.15	-0.69
3	Anita Rakeshkumar Ranka	-0.46	17	39,248	-1.40	-0.38	10	56,343	1.16	-0.84
4	Aristo Media And Entertainment Private Limited	-0.34	13	10,855	-1.04	-0.65	37	63,268	1.98	-0.99
5	Nagmaheshwar Balraj Yellamelli	-0.24	16	10,700	-0.73	0	0	0	0	-0.24
6	Venkateswara Capital Management Ltd	-0.21	21	480,985	-0.64	-0.06	5	675,000	0.18	-0.27
7	Sanjeev Ramesh Malhotra	-0.19	10	1,282	-0.58	-0.16	14	40,321	0.49	-0.35
8	Godavari Commercial Services Private Limited	-0.11	8	1,549,994	-0.33	0	0	0	0	-0.11
9	Prarthana Tarunkumar Brahmbhatt	-0.1	6	7,194	-0.30	0	0	0	0	-0.1
10	Rajendrakumar Munna Prasad Gupta	-0.09	7	13,281	-0.27	0	0	0	0	-0.09
11	Alpeshkumar Kanubhai Gohil	-0.07	2	4,098	-0.21	-0.1	2	50,015	0.30	-0.17
12	Pritesh H Gala	-0.06	6	1,875	-0.18	0	0	0	0	-0.06
13	Jayvantiben D Dedhia	-0.06	5	1,725	-0.18	0	0	0	0	-0.06
14	Dipika Krushnakumar Brahmbhatt	-0.06	6	16,590	-0.18	-0.03	3	56,000	0.09	-0.09
15	Naina Sanjeev Malhotra	-0.04	4	54,000	-0.12	-0.43	32	96,436	1.31	-0.47
16	Ankit Doshi	-0.04	4	1,250	-0.12	0	0	0	0	-0.04
17	SKR Supreme Electronics & Trading Private Limited	-0.04	4	3,550	-0.12	-0.13	5	6,050	0.40	-0.17
18	Black Horse Media and Entertainment Private Limited	-0.04	4	7,848	-0.12	0	0	0	0	-0.04
19	Acacio Tradelink Private Limited	-0.02	2	65,000	-0.06	0	0	0	0	-0.02
20	Narois Impex Private Limited	-0.02	2	450	-0.06	-0.03	2	2,570	0.09	-0.05
21	Naseen Tradelink Private Limited	-0.02	1	449	-0.06	-0.77	13	32,505	2.34	-0.79
22	Milan Hasmukhrai Deliwala	-0.01	1	5,008	-0.03	0	0	0	0	-0.01
23	Avance Technologies Limited	-0.01	1	100	-0.03	0	0	0	0	-0.01
24	Coastal Fertilisers Limited	0	0	0	0	-0.26	24	1,355,979	0.79	-0.26
25	Ethan Constructions Private Limited	0	0	0	0	-0.12	11	12,450	0.37	-0.12
26	Jinesh Devendra Bhatt	0	0	0	0	-0.19	19	4,005	0.58	-0.19
27	KREATIVE FINSOL PRIVATE LIMITED	0	0	0	0	-0.02	1	449	0.06	-0.02
28	Magan Mercantile Pvt Ltd	0	0	0	0	-0.02	2	65,000	0.06	-0.02
Group Total		-3.79	192	2,517,666	11.48	-3.77	192	2,517,666	11.48	

(xiii) As can be seen from the table above, by trading among themselves, the group of connected entities contributed Rs.-3.79, which is 11.48% of the market -LTP. Further, the entities at S.No. 24-28 had aided other connected entities (S.No. 1-23) by buying shares to decrease the scrip price. In view of the significant -LTP contribution by the group of connected entities by trading among themselves, it is alleged that the connected entities listed at the table above manipulated the price of the scrip by entering into trades resulting in price fall which has resulted in the alleged violation of Regulations 3(a),(b),(c) & (d) and 4(1), 4(2)(a),(e) of PFUTP Regulations. Trades of the 28 entities were provided as Annexure 4 to the SCN.

(xiv) The details of entities that indulged in price manipulation and whose net sell value (sell value – buy value) was Rs. 50 Lakh or more during the IP is tabulated below –

Table: 6

S.No.	Entity Name	Buy Qty	Buy Value (in Rs)	Sell Qty	Sell Value (in Rs)	Net Sell Value (in Rs)
1	Sanmay Trading Private Limited	271,051	1,593,983	5,758,190	25,957,761	24,363,778
2	Acacio Tradelink Private Limited	0	0	3,628,294	7,402,241	7,402,241

The above 2 entities were allotted shares of ACIL on a preferential basis.

(xv) It is observed that ACIL had allotted 89,205,000 convertible equity warrants (20 allottees) on March 01, 2011 and 10,795,000 convertible equity warrants (3 allottees) on March 24, 2011 on preferential basis, which was subsequently, converted into shares (issue price of Rs.10/- per share) and issued to the allottees (corporate announcements dated May 19 & 24, 2011), the details of which are as under:

Table: 7

S.No.	Name of Proposed Allottee	PAN	No. of shares
March 01, 2011			
1.	M/s Jayalalita Commodities Pvt Ltd	AACCJ2406Q	4,500,000
2.	M/s Jabeen Tradelink Pvt Ltd	AACCJ2408A	4,825,000
3.	M/s Acacio Tradelink Pvt Ltd	AAICA0609G	4,625,000
4.	M/s Amazing Suppliers Pvt Ltd	AAICA0737H	4,775,000

5.	M/s Abijah Real Estate Pvt Ltd	AAICA0617L	4,925,000
6.	M/s Aristo Media & Entertainment Pvt Ltd	AAICA2155K	4,875,000
7.	M/s Agrata Real Estate Pvt Ltd	AAHCA2834J	4,675,000
8.	M/s Anvita Trading Co Pvt Ltd	AAICA2158E	4,775,000
9.	M/s Meritorious Realty Pvt Ltd	AAGCM3629L	4,925,000
10.	M/s Sanmay Trading Pvt Ltd	AANCS8490A	4,975,000
11.	M/s Sally Real Estate Pvt Ltd	AANCS8549Q	3,500,000
12.	M/s Anvita Real Estate Pvt Ltd	AAICA2157M	3,875,000
13.	M/s Marisha Real Estate Pvt Ltd	AAGCM3630B	4,875,000
14.	M/s Energy Commotrade Pvt Ltd	AABCE9136D	4,000,000
15.	M/s Rosewood Vintrade Pvt Ltd	AAECR2815D	3,105,000
16.	M/s Trend Commosales Pvt Ltd	AADCT1329B	4,500,000
17.	M/s Samjhauta Mercantile Pvt Ltd	AAECS9980Q	4,125,000
18.	M/s Akansha Media & Entertainment Pvt Ltd	AAICA2156L	4,425,000
19.	M/s Viaggio Entertainment Pvt Ltd	AACCV0634L	4,250,000
20.	M/s Adamina Traders Pvt Ltd	AAICA0681J	4,675,000
Total			89,205,000
March 24, 2011			
1.	M/s Rosewood Vintrade Pvt Ltd	AAECR2815D	1,795,000
2.	M/s Avance Technologies Limited	AAECA5763B	4,450,000
3.	M/s Mahan Industries Limited	AABCM0370P	4,550,000
Total			10,795,000

(xvi) It was observed that among the preferential allottees, only 8 entities had traded in the scrip of ACIL during the IP. The details of the allottees who have sold during the IP is as under:

Table: 8

S.No.	Client Name	Gross Sell	Total Sell Value (in Rs.)	Qty sold to connected entities	Sell Trade Value with connected entities (in Rs.)
1.	M/s Jabeen Tradelink Pvt Ltd	950,000	3,795,000	789,500	3,140,160
2.	M/s Acacio Tradelink Pvt Ltd	3,628,294	7,402,241	1,600,604	2,583,690
3.	M/s Abijah Real Estate Pvt Ltd	1,118,176	5,009,428	0	0
4.	M/s Aristo Media & Entertainment Pvt Ltd	3,961,733	15,686,971	1,083,739	3,609,515
5.	M/s Sanmay Trading Pvt Ltd	5,758,190	25,957,760	2,587,448	10,975,789
6.	M/s Akansha Media & Entertainment Pvt Ltd	209,000	478,520	0	0
7.	M/s Avance Technologies Limited	284,961	1,053,298	234,271	862,126
Total		15,910,354	59,383,218	6,295,562	21,171,280

(xvii) As can be seen from the above table, the preferential allottees have sold 15,910,354 shares amounting to approx. Rs. 5.93 Cr out of which connected entities bought 6,295,562 (39.56% of total sell quantity) valuing approx. Rs.

2.11 Cr. The details of counterparties to preferential allottees was placed as Annexure 5 to the SCN.

(xviii) Hence, 37 entities mentioned in the tables at sub-paras (viii) and (xii) above were called upon to show cause as to why directions under Sections 11(1), 11(4) and 11B of the SEBI Act should not be issued against them for the aforesaid alleged violations under PFUTP Regulations, committed while trading during Patch V and VI of the Investigation Period.

4. The SCN dated August, 2017, was served upon 37 *Noticees* by way of registered post and in some cases by way of substituted service, viz. affixture and newspaper publication. The details of the delivery of SCN is as given below:

Table: 9

Noticee no.	Noticee Name	SCN Delivery Status	Mode of Delivery
1	Shri Jinesh Devendra Bhatt	Delivered	Registered Post
2	Smt Pooja Jinesh Bhatt	Delivered	Registered Post
3	Shri Deepak Pandurang Vikhabe	Delivered	Registered Post
4	Shri Krushnakumar Guruvachan Brahmbhatt	Delivered	Registered Post
5	Smt Prarthana Tarunkumar Brahmbhatt	Delivered	Registered Post
6	Smt Dipika Krushnakumar Brahmbhatt	Delivered	Registered Post
7	M/s Kreative Finsol Private Limited	Delivered	Affixture
8	M/s Aristo Media And Entertainment Private Limited	Delivered	Affixture
9	Smt Naina Sanjeev Malhotra	Delivered	Registered Post
10	Shri Sanjeev Ramesh Malhotra	Delivered	Registered Post
11	Shri Ankit Doshi	Delivered	Registered Post
12	M/s Ethan Constructions Private Limited	Delivered	Affixture
13	Shri Milan Hasmukhrai Deliwala	Delivered	Registered Post
14	Shri Rajendrakumar Munna Prasad Gupta	Delivered	Affixture
15	M/s Jabeen Tradelink Private Limited	Delivered	Affixture
16	M/s Black Horse Media And Entertainment Private Limited	Delivered	Affixture
17	M/s Naseen Tradelink Private Limited	Delivered	Registered Post

18	Shri Maheshchandra Chunilal Shah	Delivered	Registered Post
19	Shri Dharmendra Rikhinchandra Shah HUF	Delivered	Registered Post
20	M/s Narois Impex Private Limited	Delivered	Affixture
21	M/s Magan Mercantile Pvt Ltd	Delivered	Affixture
22	M/s Avance Technologies Limited	Delivered	Affixture
23	Shri Pritesh H Gala	Delivered	Affixture
24	Smt Jayvantiben D Dedhia	Delivered	Affixture
25	Shri Bipin Bapu Kamble	Delivered	Registered Post
26	Ms Anusaya Shankar Sawant	Delivered	Registered Post
27	Shri Nagmaheshwar Balraj Yellamelli	Delivered	Affixture
28	M/s Nishottam Traders Private Limited	Delivered	Registered Post
29	Shri Mahavirsingh N Chauhan	Delivered	Registered Post
30	Smt Anita Rakeshkumar Ranka	Delivered	Registered Post
31	M/s SKR Supreme Electronics & Trading Private Limited	Delivered	Affixture
32	M/s Coastal Fertilisers Limited	Delivered	Hand Delivery
33	M/s Venkateswara Capital Management Limited	Delivered	Hand Delivery
34	M/s Godavari Commercial Services Private Limited	Delivered	Hand Delivery
35	Shri Alpesh Kanubhai Gohil	Delivered	Registered Post
36	M/s Sanmay Trading Private Limited	Delivered	Affixture
37	M/s Acacio Tradelink Private Limited	Delivered	Registered Post

5. After completion of service of SCN, the matter came to be placed before another Whole Time Member but it could not be proceeded further due to internal re-allocation of cases amongst the Whole Time Members of SEBI. In January 2020, the matter finally came to be assigned to the undersigned for granting of personal hearing and subsequent determination. I note that Noticee no. 1 to 5, 7, 9, 10, 13, 20, 22, 25, 27, 29, 30, 32, 33 and 36, have filed their reply to the SCN. No reply has been filed by Noticee no. 6, 8, 11, 12, 14 to 19, 21, 23, 24, 26, 28, 31, 34, 35 and 37.

6. The personal hearing in the present matter were conducted on July 10, 2020, August 26, 2020, November 03, 2020, December 23, 2020, February 01, 2021, and March 03, 2021. Hearing for Noticees no. 4, 5, 6 and 36 was conducted on July 10, 2020, hearing for Noticee no. 20 was conducted on August 26, 2020, hearing for Noticees no. 9, 10, 13, 19, 25, 26 and 30 was conducted on November 03, 2020, hearing for Noticee no. 22 was conducted on December 23, 2020 and hearing for Noticee no. 1 and 2 was conducted on February 01, 2021. Noticee no. 21 has filed his reply and submitted that he does not wish to avail personal hearing in the matter. Noticees no. 3, 7, 8, 11, 12, 14, 15, 16, 17, 18, 23, 24, 27, 28, 29, 31, 32, 33, 34, 35 and 37 were given two opportunities for personal hearing but the Noticees did not appear on the scheduled dates and neither did they seek adjournment for the same. Details of the delivery of hearing Notice is as given below:

Table: 10

Noticee no.	Noticee Name	Details/Mode of Delivery of Hearing Notice	Date of hearing conducted
1	Shri Jinesh Devendra Bhatt	Hearing notice dated 28/09/2020 served through SPAD. Reply received through Email for adjournment. Email dated 25/11/2020 sent to Noticee for hearing on 23/12/2020. Vide email dated 22/12/2020 entity sought adjournment. Vide email dated 08/01/2021, another opportunity of hearing granted on 01/02/2021.	February 01, 2021
2	Smt Pooja Jinesh Bhatt	Hearing notice dated 28/09/2020 served through SPAD. Reply received through Email for adjournment. Email dated 25/11/2020 sent to Noticee for hearing on 23/12/2020. Vide email dated 22/12/2020 entity sought adjournment. Vide email dated 08/01/2021, another opportunity of hearing granted on 01/02/2021.	February 01, 2021
3	Shri Deepak Pandurang Vikhabe	Hearing notice dated 28/09/2020 served through SPAD. Hearing notice dated 02/12/2020 served through SPAD. Reply received through Email.	Did not appear for hearings or seek adjournment.
4	Shri Krushnakumar Guruvachan Brahmbhatt	Hearing Notice delivered.	July 10, 2020
5	Smt Prarthana Tarunkumar Brahmbhatt	Hearing Notice delivered.	July 10, 2020
6	Smt Dipika Krushnakumar Brahmbhatt	Hearing Notice delivered	July 10, 2020
7	M/s Kreative Finsol Private Limited	Hearing notice dated 28/09/2020 not delivered through SPAD. Newspaper publication done on 24/10/2020 (for hearing on 03/11/ 2020) and 14/12/2020 (for hearing on 23/12/2020)	Did not appear for hearings or seek adjournment.

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8	M/s Aristo Media And Entertainment Private Limited	Hearing notice dated 28/09/2020 not delivered through SPAD. Newspaper publication done on 24/10/2020 (for hearing on 03/11/2020) and 14/12/2020 (for hearing on 23/12/2020)	Did not appear for hearings or seek adjournment.
9	Smt Naina Sanjeev Malhotra	Hearing notice dated 28/09/2020 served through SPAD. Vide email dated 05/10/2020 entity stated that it had not received SCN. SCN served on the entities through Advocate. Advocate raised certain issues vide email dated 09/10/2020 which were addressed vide email dated 13/10/2020.	November 03, 2020
10	Shri Sanjeev Ramesh Malhotra	Hearing notice dated 28/09/2020 served through SPAD. Vide email dated 05/10/2020 entity stated that it had not received SCN. SCN served on the entities through Advocate. Advocate raised certain issues vide email dated 09/10/2020 which were address vide email dated 13/10/2020.	November 03, 2020
11	Shri Ankit Doshi	Hearing notice dated 28/09/2020, served through SPAD. Hearing notice dated 02/12/2020 served to Noticee through SPAD.	Did not appear for hearings or seek adjournment.
12	M/s Ethan Constructions Private Limited	Hearing notice dated 25/10/2020 could not be delivered through SPAD (for hearing on 03/11/2020). Newspaper publication done on 14/12/2020 (for hearing on 23/12/2020)	Did not appear for hearings or seek adjournment.
13	Shri Milan Hasmukhrai Deliwala	Hearing notice dated 28/09/2020 served through SPAD. Confirmation received on Email.	November 03, 2020
14	Shri Rajendrakumar Munna Prasad Gupta	Hearing notice dated 28/09/2020 could not be delivered to entity through SPAD. Newspaper publication done on 24/10/2020 (for hearing on 03/11/2020) and 14/12/2020 (for hearing on 23/12/2020)	Did not appear for hearings or seek adjournment.
15	M/s Jabeen Tradelink Private Limited	Hearing notice dated 25/10/2020 could not be delivered through SPAD (for hearing on 03/11/2020). Newspaper publication done on 14/12/2020 (for hearing on 23/12/2020)	Did not appear for hearings or seek adjournment.
16	M/s Black Horse Media And Entertainment Private Limited	Hearing notice dated 25/10/2020 could not be delivered through SPAD (for hearing on 03/11/2020). Newspaper publication done on 14/12/2020 (for hearing on 23/12/2020)	Did not appear for hearings or seek adjournment.
17	M/s Naseen Tradelink Private Limited	Hearing notice dated 25/10/2020 could not be delivered through SPAD (for hearing on 03/11/2020). Newspaper publication done on 14/12/2020 (for hearing on 23/12/2020)	Did not appear for hearings or seek adjournment.
18	Shri Maheshchandra Chunilal Shah	Hearing notice dated 28/09/2020 served through SPAD. Hearing notice dated 02/12/2020 served through SPAD.	Did not appear for hearings or seek adjournment.
19	Shri Dharmendra Rikhinchandra Shah HUF	Vide email dated 14/10/2020 intimation of hearing for 03/11/2020 sent to entity. Received confirmation through Email dated 28/10/2020.	November 03, 2020
20	M/s Narois Impex Private Limited	Hearing Notice delivered.	August 26, 2020
21	M/s Magan Mercantile Pvt Ltd	Vide letter dated 03/12/2020, the Noticee submitted that he does not wish to avail personal hearing in the matter	NA
22	M/s Avance Technologies Limited	Vide email dated 29/09/2020 intimation was sent to the entity regarding hearing on 03/12/2020. Vide email dated 07/10/2020 entity stated that it has not received SCN. Vide letter dated 13/10/2020, SCN was forwarded to entity. Vide	December 23, 2020

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		email dated 02/11/2020, entity sought adjournment. Reply filed by entity on 25/11/2020. Opportunity of personal hearing on 23/12/2020 granted vide email dated 25/11/2020.	
23	Shri Pritesh H Gala	Hearing notice dated 28/09/2020 could not be served through SPAD. Newspaper publication done on 24/10/2020 (for hearing on 03/11/2020) and 14/12/2020 (for hearing on 23/12/2020)	Did not appear for hearings or seek adjournment.
24	Smt Jayvantiben D Dedhia	Hearing notice dated 28/09/2020 could not be served through SPAD. Newspaper publication done on 24/10/2020 (for hearing on 03/11/2020) and 14/12/2020 (for hearing on 23/12/2020)	Did not appear for hearings or seek adjournment.
25	Shri Bipin Bapu Kamble	Hearing notice dated 28/09/2020 could not be served through SPAD. Newspaper publication done on 24/10/2020 (for hearing on 03/11/2020) and 14/12/2020 (for hearing on 23/12/2020)	November 03, 2020
26	Ms Anusaya Shankar Sawant	Hearing notice dated 25/10/2020 served through SPAD. Hearing concluded on 03/11/2020.	November 03, 2020
27	Shri Nagmaheshwar Balraj Yellamelli	Hearing notice dated 28/09/2020 served through SPAD for 03/11/2020. Entity sought adjournment vide email dated 02/11/2020. Hearing notice sent vide email dated 25/11/2020 for 23/12/2020.	Did not appear for hearings or seek adjournment.
28	M/s Nishottam Traders Private Limited	Hearing notice dated 25/10/2020 for 03/11/2020 could not be served through SPAD. Hearing notice dated 03/12/2020 for 23/12/2020 could not be delivered to an alternate address obtained from another matter. Intimation of hearing for 23/12/2020 sent via email as available on MCA website. Another opportunity of personal hearing granted on 01/02/2021 which was served through newspaper publication.	Did not appear for hearings or seek adjournment.
29	Shri Mahavirsingh N Chauhan	Hearing notice dated 28/09/2020 served through SPAD for hearing on 03/11/2020 and hearing notice dated 02/12/2020 served through SPAD for hearing on 23/12/2020	Did not appear for hearings or seek adjournment.
30	Smt Anita Rakeshkumar Ranka	Hearing notice dated 28/09/2020 served through SPAD. Confirmation received through Email.	November 03, 2020
31	M/s SKR Supreme Electronics & Trading Private Limited	Hearing notice dated 25/10/2020 could not be served through SPAD. Newspaper publication done on 14/12/2020 (for hearing on 23/12/2020)	Did not appear for hearings or seek adjournment.
32	M/s Coastal Fertilisers Limited	Hearing notice for 03/11/2020 could not be delivered through SPAD. Newspaper publication done for hearing on 23/12/2020. Vide email dated 19/12/2020 replied stating that it has not received SCN. Thereafter, SCN and Annexures served vide letter dated 15/01/2021 through SPAD. A fresh opportunity of personal hearing granted on 01/02/2021. Noticee sought another adjournment. Vide email dated 11/02/2021 another opportunity of personal hearing granted on 03/03/2021.	Noticee sought adjournment for hearing on February 01, 2021. On next date of hearing i.e. March 03, 2021, Noticee neither appeared nor sought adjournment.
33	M/s Venkateswara Capital Management Limited	Hearing notice for 03/11/2020 undelivered through SPAD. Newspaper publication done for hearing on 23/12/2020.	Did not appear for hearings or seek adjournment.
34	M/s Godavari Commercial Services Private	Hearing notice for 03/11/2020 delivered through SPAD. Hearing notice for 23/12/2020 delivered through SPAD. Vide email dated 19/12/2020	Noticee sought adjournment for hearing on February

	Limited	replied stating that it has not received SCN. SCN and Annexures served vide letter dated 15/01/2021 through SPAD. A fresh opportunity of personal hearing granted on 01/02/2021. Noticee sought another adjournment. Vide email dated 11/02/2021 another opportunity of personal hearing granted on 03/03/2021.	01, 2021. On next date of hearing i.e. March 03, 2021, Noticee neither appeared nor sought adjournment.
35	Shri Alpesh Kanubhai Gohil	Hearing notice dated 28-09-2020 for 03/11/2020 delivered through SPAD. Hearing notice dated 02/12/2020 for 23/12/2020 delivered through SPAD. Vide letter dated 17/12/2020 the entity has stated that he has not received the SCN in this matter. SCN was served vide letter dated 15/01/2021 and a fresh opportunity of personal hearing granted on 01/02/2021. Noticee sought another adjournment. Vide email dated 11/02/2021 another opportunity of personal hearing granted on 03/03/2021.	Noticee sought adjournment for hearing on February 01, 2021. On next date of hearing i.e. March 03, 2021, Noticee neither appeared nor sought adjournment.
36	M/s Sanmay Trading Private Limited	Hearing Notice delivered.	July 10, 2020
37	M/s Acacio Tradelink Private Limited	Entity earlier sought adjournment of hearing for 26/08/2020 vide an email dated 25/08/2020. Thereafter email dated 29/09/2020 sent for hearing on 03/11/2020 could not be delivered through SPAD. Another email dated 25/11/2020 sent for hearing on 23/12/2020.	Did not appear for hearings or seek adjournment.

7. I note that Noticees no. 1 to 5, 7, 9, 10, 13, 20, 22, 25, 27, 29, 30, 32, 33 and 36 have filed their reply to the SCN, and in their separate replies, written submissions and oral submissions made at the time of personal hearing, have *inter alia* raised the following key contentions to the allegations in the SCN:

- a) *At the outset, the Noticees have stated that the SCN suffers from great delay and latches. That the delay is not even explained which is against the principles of natural justice and has caused great prejudice to the Noticees. That the SCN is issued in the month of August 2017 and hence there is a delay of 5 years in issuance of SCN from the date of impugned transactions which delay has not even explained.*
- b) *The Noticees have submitted that multiple enforcement actions in sequence – one after the other SCN under section 11(1), 11(4) and 11B of the SEBI Act, 1992 and then Noticee under Rule 4 of the SEBI (Procedure for holding inquiry and imposing penalties by Adjudicating Officer) Rules 1995 in November 2017, have been initiated against the Noticees in this scrip which has caused great prejudice to the Noticees.*
- c) *The Noticees have submitted that it is specifically mentioned in the SCN that none of the entities including the Noticees have any connection with*

the company ACIL. Further, no connection of any nature is established between the Noticees and the purported group entities. That the Noticees have been wrongly bunched, lumped and clubbed with the other entities. The Noticees submit that the connection should be reflected in the trading pattern, however it is not so in the present case.

d) The Noticees have submitted that the SCN is ambiguous and misconceived and the allegations levied are absurd and too far-fetched as it lacks material particulars such as:

(i) No benefit attributed to the Noticees by way of increase and decrease in price of the scrip.

(ii) Whether and how the Noticees derived any benefit, gain or advantage from the alleged positive LTP contribution.

(iii) Whether purported group entities derived any benefit from purported price rise or price fall.

(iv) Whether and how much disproportionate gain is made by the Noticees.

e) The Noticees further submitted that they have been charged for manipulating the price of the scrip as a buyer as well as a seller. The charges in the SCN are contradictory to each other and the Noticees can either be charged as a buyer or as a seller and not as both. That the charges in the SCN are thus erroneous, illogical and unlawful.

f) The Noticees further submitted that they have not received disproportionate gain or unfair advantage and have not caused any loss to an investor or group of investors. The Noticees state that they are not guilty of conduct which is contumacious or dishonest or acted in conscious disregard of law or that they acted in defiance of law.

8. On the merits of the case, I find that the investigation in the present matter has analyzed the trading in the scrip of ACIL in six Patches. Out of the six Patches, charges have been framed by the SCN with regards to the trading done by the Noticees during Patch-V and Patch-VI only. I note that no allegations have been levelled in the SCN with respect to Patches I to IV, for the following reasons:

- a) **Patch-I (November 23, 2007 – December 18, 2007):** During the said patch, the scrip price increased from Rs. 21/- on November 23, 2007 to Rs. 74.35 on December 18, 2007, i.e. registering an increase of 254.40%. Upon analyzing the top 10 net LTP contributors as buyers, it was observed that the top 10 entities contributed 2.99% to market +LTP, which is insignificant. It was also observed that only 2 of the top ten entities were connected to each other. However, the combined +LTP contribution of these entities was 1.16% of the total market +LTP, which is insignificant. Hence, no adverse inference was drawn.
- b) **Patch-II (December 19, 2007 – December 18, 2008):** During the said patch, the scrip price decreased from Rs. 75.55 on December 19, 2007 to Rs. 4.90 on December 18, 2008, i.e. registering a decrease of 93.07%. Upon analyzing the top 10 net LTP contributors as sellers, it was observed that the top 10 entities contributed 13.64% to market -LTP, which is insignificant. Further, no connection could be observed among the top ten entities. Hence, no adverse inference was drawn.
- c) **Patch-III (December 19, 2008 – June 28, 2010):** During the said patch, the scrip price increased from Rs. 0.53 on December 19, 2008 to Rs. 0.72 on June 28, 2010, i.e. registering an increase of Rs. 0.19, which is insignificant. Hence, the said patch was not analyzed for LTP contribution.
- d) **Patch-IV (July 19, 2010 – December 26, 2011):** During the said patch, the scrip price decreased from Rs. 7.25 on July 19, 2010 to Rs. 1.20 on December 26, 2011, i.e. registering a decrease of 83.44%. Upon analyzing the top 10 net LTP contributors as sellers, it was observed that the top 10 entities contributed 4.92% to market -LTP, which is insignificant. Further, no connection could be observed among the top ten entities. Hence, no adverse inference was drawn.

9. Whereas, I note that with regard to Patch-V and VI, during Patch-V, the scrip price increased from Rs. 1.26 on December 27, 2011 to Rs. 6.45 on May 04,

2012, i.e. registering an increase of 411.90%. I note that the top ten entities during Patch-V contributed 51.61% to market +LTP and there were 5 entities connected to one another among these top 10 entities. During Patch-VI, the scrip price decreased from Rs. 6.57 on May 05, 2012 to Rs. 1.30 on September 22, 2012, i.e. registering a decrease of 80.21%. I note that the top ten entities during Patch-VI contributed 25.75% to market -LTP and there were 6 entities connected to one another among these top 10 entities. In this regard, I note that during investigation 49 connected entities were identified for Patch V and VI based on the analysis of KYC details, off-market transfers, MCA documents and bank account statements. The list of 49 connected entities are as given below:

Table: 11

Noticee no.	Noticee Name
1	Shri Jinesh Devendra Bhatt
2	Smt Pooja Jinesh Bhatt
3	Shri Deepak Pandurang Vikhape
4	Shri Krushnakumar Guruvachan Brahmbhatt
5	Smt Prarthana Tarunkumar Brahmbhatt
6	Smt Dipika Krushnakumar Brahmbhatt
7	M/s Kreative Finsol Private Limited
8	M/s Aristo Media And Entertainment Private Limited
9	Smt Naina Sanjeev Malhotra
10	Shri Sanjeev Ramesh Malhotra
11	Shri Ankit Doshi
12	M/s Ethan Constructions Private Limited
13	Shri Milan Hasmukhrai Deliwala
14	Shri Rajendrakumar Munna Prasad Gupta
15	M/s Jabeen Tradelink Private Limited
16	M/s Black Horse Media And Entertainment Private Limited
17	M/s Naseen Tradelink Private Limited
18	Shri Maheshchandra Chunilal Shah
19	Shri Dharmendra Rikinchandra Shah HUF
20	M/s Narois Impex Private Limited
21	M/s Magan Mercantile Pvt Ltd
22	M/s Avance Technologies Limited
23	Shri Pritesh H Gala
24	Smt Jayvantiben D Dedhia
25	Shri Bipin Bapu Kamble
26	Ms Anusaya Shankar Sawant
27	Shri Nagmaheshwar Balraj Yellamelli
28	M/s Nishottam Traders Private Limited
29	Shri Mahavirsingh N Chauhan
30	Smt Anita Rakeshkumar Ranka

31	M/s SKR Supreme Electronics & Trading Private Limited
32	M/s Coastal Fertilisers Limited
33	M/s Venkateswara Capital Management Limited
34	M/s Godavari Commercial Services Private Limited
35	Shri Alpesh Kanubhai Gohil
36	M/s Sanmay Trading Private Limited
37	M/s Acacio Tradelink Private Limited
38	M/s Akansha Media and Entertainment Ltd
39	Smt. Jasmin S Bajoriya
40	M/s Whitetext Infrastructure Pvt. Ltd.
41	M/s Yadon Constructions Pvt. Ltd.
42	M/s Adamina Traders Pvt. Ltd.
43	M/s Gajpal Buildinfra Pvt. Ltd.
44	Shri Saurabhkumar Rasiklal Gandhi
45	M/s Abijah Real Estate Pvt Ltd
46	Shri Champaklal Jethalai Shah
47	M/s Jainam Share Consultant Pvt. Ltd.
48	Ms Jasmeen Kumar Lodaya
49	M/s Alpeshkumar Kanubhai Gohil

10. I note that out of the above 49 connected entities, 21 entities by trading amongst themselves had contributed to market positive LTP during Patch-V and 39 entities by trading amongst themselves had contributed to market negative LTP during Patch-VI. Accordingly, SCN was issued to 37 entities out of the above 49 connected entities, who had traded amongst themselves during Patch-V and VI.

11. The allegations against these 37 entities, the Noticees, as contained in the SCN, with respect to trades amongst themselves during Patch-V and Patch-VI, are as follows:

- (i) **Noticees trade amongst themselves during Patch-V:** It is alleged that 21 group entities trading amongst themselves during Patch-V, contributed to Rs. 6.84, which is 19.53% of the market positive LTP. Further, entities from Sl. no. 14 to 19 in the Table at para 9 of the SCN, have aided other connected entities i.e. entities from Sl. no. 1 to 13 of the said Table, by acting as sellers to increase the price of the scrip. In view of the above, the SCN alleges that the Noticees have violated Regulation 3(a), 3(b), 3(c), 3(d), 4(1), 4(2)(a) and 4(2)(e) of PFUTP Regulations.

- (ii) **Noticees trade amongst themselves during Patch-VI:** It is alleged that 39 group entities trading amongst themselves during Patch-VI, contributed to Rs. -3.79, which is 11.48% of the market negative LTP. Further, entities from Sl. no. 24 to 29 in the Table at para 13 of the SCN, have aided other connected entities i.e. entities from Sl. no. 1 to 23 in the said Table, by acting as buyers to increase the price of the scrip. In view of the above, the SCN alleges that the Noticees have violated Regulation 3(a), 3(b), 3(c), 3(d), 4(1), 4(2)(a) and 4(2)(e) of PFUTP Regulations.

12. I have perused the allegations made in the SCN, the replies filed by the Noticees, the submissions made by the Noticees at the time of personal hearing and through their written submissions. After consideration of the same, my findings thereon are as under:

- (i) I note that the Noticees have raised a preliminary common objection to the issuance of SCN in the present matter. It is the case of the said Noticees that the inordinate delay in the issuance of SCN in the present matter has prejudicially affected their rights to put forward an effective defense and thus has resulted in violation of the principles of natural justice. I note that investigation in the present matter was initiated by SEBI after receipt of a reference dated February 10, 2015, from the Principal Director of Income Tax (Investigation), Ahmedabad, forwarding statement recordings of various accommodation entry providers, their associates, dummy directors etc. alleging these entities through stock exchanges mechanism generated bogus Long Term Capital Gains Tax and ACIL was one of such scrips mentioned in the aforesaid reference. In order to carry out the investigation, the following activities were involved: 1) Examination of KYC documents etc. of the entities, 2) Examination of the trades of various entities, 3) collecting data from various sources such as exchanges, depositories, brokers, banks, etc. 4) Examination of funds flows amongst the various entities, 5) Many of the entities were not forthcoming to SEBI letters or taking time in responding, 6) The investigation involved six different patches, 7) Seeking responses from various delinquent entities, etc. and thereafter, various dots were connected to get the complete picture and thus, investigation was concluded in June 2017. Thus,

investigation in the matter was intricate and time consuming since, it involved multitude of entities, precisely 49 Connected Entities including 37 Noticees. After conclusion of investigation, SCN dated August, 2017 was issued and served upon the 37 Noticees in the matter. While in some cases, the SCN and its annexures were served upon the Noticees by way of registered posts, in case of the remaining Noticees, the SCN had to be served by way of substituted services. After completion of service of SCN, on November 18, 2019 the matter was placed before another Whole Time Member for hearing but it could not be proceeded further due to impending redistribution of cases amongst the Whole Time Members of SEBI. Thereafter, in January 13, 2020, the matter was reallocated and came to be assigned to the undersigned for granting of personal hearing and subsequent determination. The opportunity of personal hearing was granted to all the Noticees on April 03, 2020. However, the case could not be taken up for personal hearing on April 03, 2020 because of the strict nationwide lockdown measures. Hence, the hearing was further adjourned to July 10, 2020. This time an option of hearing through audio-video conference was also provided. I note that personal hearing was granted to the Noticees on multiple occasions i.e. July 10, 2020, August 26, 2020, November 03, 2020, December 23, 2020, February 01, 2021, and March 03, 2021, on the request made by the Noticees on the ground that impending restrictions during lockdown were making it difficult to co-ordinate with their advocates and finalizing their reply to the SCN. The details of the service of notice of hearing on multiple dates to all the Noticees are given in para 6 above. Further, I note that Noticee no. 32, 34 and 35 vide their respective letters in December 2020, received by SEBI on December 23, 2020, had submitted that they have not received the SCN and requested a copy of the same. Accordingly, SCN had to be served to these Noticees and hearing was granted to Noticees no. 32, 34 and 35 on March 03, 2021 and I note that none of the Noticees appeared for the hearing on March 03, 2021 or sought adjournment for the same. I also note that Noticees no. 1, 2, 3 and 27 had filed their respective written submissions in February 2021. In view of the above, I note that, the time taken for completion of collective investigation into such a large number of entities, the time taken for issuing SCNs and conducting personal hearing for such a large number of Noticees cannot be

termed as unreasonable delay, in the peculiar facts of the present case. Notwithstanding the same, I also note that there is no provision in the SEBI Act, 1992 which may have the effect of prohibiting SEBI from taking action beyond a particular period of time in a given case. In **Ravi Mohan & Ors. v. SEBI and other** connected appeals decided on August 08, 2013, Hon'ble Securities Appellate Tribunal, Mumbai (hereinafter referred to as '**Hon'ble SAT**') while referring to its own decision in **HB Stockholdings Ltd. v. SEBI (Appeal no. 114 of 2012)** decided on August 27, 2013 and decision of Hon'ble Supreme Court in **Collector of Central Excise, New Delhi v. Bhagsons Paint Industry (India) reported in 2003 (158) ELT 129 (S.C.)**, observed as under:

"...Based on decision of this Tribunal in case of HB Stockholdings Ltd. vs. SEBI (Appeal no. 114 of 2012 decided on 27.08.2013) it is contended on behalf of the appellants that in view of the delay of more than 8 years in issuing the show cause notice, the impugned order is liable to be quashed and set aside. There is no merit in this contention, because, this Tribunal while setting aside the decision of SEBI on merits has clearly held in para 20 of the order, that delay itself may not be fatal in each and every case. Moreover, the Apex Court in case of Collector of Central Excise, New Delhi vs. Bhagsons Paint Industry (India) reported in 2003 (158) ELT 129 (S.C) has held that if there no statutory bar for adjudicating the matter beyond a particular date, the Tribunal cannot set aside the adjudication order merely on the ground that the adjudication order is passed after a lapse of several years from the date of issuing notice...."

- (ii) I note that the Noticees have also raised the contention that multiple enforcement actions have been initiated against them. That they have received SCN under Section 11(1), 11(4) and 11B of SEBI Act, 1992 and also SCN under Rule 4 of SEBI (Procedure for holding inquiry and imposing penalties by Adjudicating Officer) Rules, 1995, which is unreasonable and disproportionate and caused great prejudice to the Noticees. In this regard, I note that the Adjudicating proceedings initiated vide show cause notice dated November 2017, although emanating from the same set of facts, have been initiated *inter alia* under the provisions of Chapter VIA of the SEBI Act. The SEBI Act enables the Board to initiate parallel proceedings on the same set of

facts against a person under Sections 11 and 11B or under Section 11D, as the case may be, on the one hand and adjudication proceedings under Chapter VIA for the imposition of monetary penalties on the other hand. In this regard, reference can be made to the Order of the Hon'ble SAT in the matter of **Dipak J. Panchal vs. SEBI**, Appeal No. 198 of 2011 (Order dated November 12, 2012), wherein, it was held that: "There is no bar under the Act in taking all the three actions (under Chapter IV, Chapter VIA and Section 24 of the SEBI Act) simultaneously or taking only one of the actions as the Board may deem fit..." In view of the aforesaid, I find the contention raised by Noticees is untenable.

- (iii) As observed in para 3(v) above that investigation was initiated against 49 entities. However, SCN was issued with respect to 37 entities. As mentioned in para 8 above, no adverse inference was drawn in the SCN against entities who had traded in Patch I to IV. However, with regard to Patch V and VI, it was observed that among the top 10 entities that contributed to the market positive LTP in Patch-V, 5 entities were connected to each other and among the top 10 entities that contributed to market negative LTP in Patch-VI, 6 entities were connected to each other. Therefore, I note that in Patch-V and Patch-VI, there are significant number of connected entities among the top 10 contributors.
- (iv) SCN alleges that 21 group entities by trading amongst themselves during Patch-V, contributed to Rs. 6.84, which is 19.53% of the market positive LTP. Further, entities from Sl. no. 14 to 19 in the Table at para 9 of the SCN, have aided other connected entities i.e. entities from Sl. no. 1 to 13 of the said Table, by acting as sellers to increase the price of the scrip. The said Table at para 9 of the SCN is reproduced below:

Table: 12

S. No.	Entity Name	+LTP trades as buyer with group entities				+LTP trades as seller with group entities				+LTP as buyer & seller (in `)
		+LTP (in `)	No. of trades	Qty	% of mkt +LTP	+LTP (in `)	No. of trades	Qty	% of mkt +LTP	
1	Dharmendra Rikхинchandra	1.55	42	7,264	4.42	3.65	67	36,781	10.41	5.2

	Shah									
2	Aristo Media and Entertainment Private Limited	1.28	58	96,743	3.65	0.74	32	83,116	2.11	2.02
3	Nagmaheshwar Balraj Yellamelli	0.95	38	18,184	2.71	0	0	0	0	0.95
4	Mahavirsingh N Chauhan	0.85	7	25	2.43	0	0	0	0	0.85
5	Sanjeev Ramesh Malhotra	0.65	23	362,287	1.86	0.10	6	67,125	0.29	0.75
6	Naseen Tradelink Private Limited	0.45	5	140	1.28	0	0	0	0	0.45
7	Ethan Constructions Private Limited	0.43	16	29,445	1.23	0.64	33	89,491	1.82	1.07
8	Jinesh Devendra Bhatt	0.33	8	58,582	0.94	0.13	6	45,212	0.37	0.46
9	Pooja Jinesh Bhatt	0.2	7	32,806	0.57	0.07	2	351	0.20	0.27
10	Dipika Krushnakumar Brahmbhatt	0.11	3	3,855	0.31	0.18	13	82,453	0.51	0.29
11	Krushnakumar Guruvachan Brahmbhatt	0.02	2	43,100	0.06	0.54	32	39,768	1.54	0.56
12	Deepak Pandurang Vikhape	0.01	1	100	0.03	0	0	0	0	0.01
13	Rajendrakumar Munna Prasad Gupta	0.01	1	40,000	0.03	0	0	0	0	0.01
14	Alpeshkumar Kanubhai Gohil	0	0	0	0	0.01	1	1,669	0.03	0.01
15	Sanmay Trading Private Limited	0	0	0	0	0.38	10	233,180	1.08	0.38
16	Maheshchandra Chunilal Shah	0	0	0	0	0.22	2	20	0.63	0.22
17	Anusaya Shankar Sawant	0	0	0	0	0.16	5	1,806	0.46	0.16
18	Bipin Babu Kamble	0	0	0	0	0.01	1	1,559	0.03	0.01
19	Jabeen Tradelink Private Limited	0	0	0	0	0.01	1	10,000	0.03	0.01
Group Total		6.84	211	692,531	19.53	6.84	211	692,531	19.53	-

(v) With regard to the allegation that 19 connected Noticees manipulated the price of the scrip of ACIL in Patch-V by contributing to price rise of Rs. 6.84 which is 19.53% of the market positive LTP by trading amongst themselves, I note that, in the facts of the present case, 19.53% contribution to market positive LTP is a significant amount for the trades by a group of 19 entities in the scrip of the company ACIL, which registered meagre profits of only Rs. 0.09 Cr, Rs. 0.43 Cr and Rs. 0.75 Cr for the financial years 2010, 2011 and 2012, and was also thinly traded. However, from the above Table, I note that out of the 19 connected entities, except for entities at Sl. No. 1, 2 and 7, the individual positive LTP contribution of the other entities to market positive LTP, as buyer and seller with group entities during Patch-V, is less than 1%. Therefore, in the facts and circumstances of the present case, I find that except for entities at Sl. No. 1, 2 and 7 in the above Table, the individual

contribution of other entities to the market positive LTP is not so significant to invite the rigors of regulatory direction under section 11B of SEBI Act, 1992. In this regard, I note that during Patch-V, Dharmendra Rikhhinchandra Shah (Noticee no. 19) has contributed to price rise of Rs. 1.55 as a buyer and Rs. 3.65 as a seller, i.e. positive LTP contribution as buyer and seller of Rs. 5.2, Aristo Media and Entertainment Pvt. Ltd. (Noticee no. 8) has contributed to price rise of Rs. 1.28 as a buyer and Rs. 0.72 as a seller, i.e. positive LTP contribution as buyer and seller of Rs. 2.02, and Ethan Constructions Pvt. Ltd. (Noticee no. 12) has contributed to price rise of Rs. 0.43 as a buyer and Rs. 0.64 as a seller, i.e. positive LTP contribution as buyer and seller of Rs. 1.07. Hence, I find that entities at Sl. No. 1, 2 and 7 i.e. Dharmendra Rikhhinchandra Shah (Noticee no. 19), Aristo Media and Entertainment Pvt. Ltd. (Noticee no. 8) and Ethan Constructions Pvt. Ltd. (Noticee no. 12), have significantly contributed to market positive LTP during Patch-V by trading amongst connected entities.

- (vi) It is also alleged that 39 group entities, as given in the Table at para 13 of the SCN, traded amongst themselves during Patch-VI and contributed to Rs. - 3.79, which is 11.48% of the market negative LTP. Further, entities from Sl. no. 24 to 28 in the Table at para 13 of the SCN, have aided other connected entities i.e. entities from Sl. no. 1 to 23 in the said Table, by acting as buyers to decrease the price of the scrip. The said Table at para 13 of the SCN is reproduced below:

Table: 13

S. No.	Entity Name	-LTP trades as seller with group entities				-LTP trades as buyer with group entities				-LTP as buyer & seller (in `)
		-LTP (in `)	No. of trades	Qty	% of mkt - LTP	-LTP (in `)	No. of trades	Qty	% of mkt - LTP	
1	Nishottam Traders Private Limited	-0.92	47	245,280	-2.80	-0.37	11	1,270	1.13	-1.29
2	Dharmendra Rikhhinchandra Shah	-0.64	7	1,502	-1.95	-0.05	1	5	0.15	-0.69
3	Anita Rakeshkumar Ranka	-0.46	17	39,248	-1.40	-0.38	10	56,343	1.16	-0.84
4	Aristo Media And Entertainment Private Limited	-0.34	13	10,855	-1.04	-0.65	37	63,268	1.98	-0.99

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5	Nagmaheshwar Balraj Yellamelli	-0.24	16	10,700	-0.73	0	0	0	0	-0.24
6	Venkateswara Capital Management Ltd	-0.21	21	480,985	-0.64	-0.06	5	675,000	0.18	-0.27
7	Sanjeev Ramesh Malhotra	-0.19	10	1,282	-0.58	-0.16	14	40,321	0.49	-0.35
8	Godavari Commercial Services Private Limited	-0.11	8	1,549,994	-0.33	0	0	0	0	-0.11
9	Prarthana Tarunkumar Brahmbhatt	-0.1	6	7,194	-0.30	0	0	0	0	-0.1
10	Rajendrakumar Munna Prasad Gupta	-0.09	7	13,281	-0.27	0	0	0	0	-0.09
11	Alpeshkumar Kanubhai Gohil	-0.07	2	4,098	-0.21	-0.1	2	50,015	0.30	-0.17
12	Pritesh H Gala	-0.06	6	1,875	-0.18	0	0	0	0	-0.06
13	Jayvantiben D Dedhia	-0.06	5	1,725	-0.18	0	0	0	0	-0.06
14	Dipika Krushnakumar Brahmbhatt	-0.06	6	16,590	-0.18	-0.03	3	56,000	0.09	-0.09
15	Naina Sanjeev Malhotra	-0.04	4	54,000	-0.12	-0.43	32	96,436	1.31	-0.47
16	Ankit Doshi	-0.04	4	1,250	-0.12	0	0	0	0	-0.04
17	SKR Supreme Electronics & Trading Private Limited	-0.04	4	3,550	-0.12	-0.13	5	6,050	0.40	-0.17
18	Black Horse Media and Entertainment Private Limited	-0.04	4	7,848	-0.12	0	0	0	0	-0.04
19	Acacio Tradelink Private Limited	-0.02	2	65,000	-0.06	0	0	0	0	-0.02
20	Narois Impex Private Limited	-0.02	2	450	-0.06	-0.03	2	2,570	0.09	-0.05
21	Naseen Tradelink Private Limited	-0.02	1	449	-0.06	-0.77	13	32,505	2.34	-0.79
22	Milan Hasmukhrai Deliwala	-0.01	1	5,008	-0.03	0	0	0	0	-0.01
23	Avance Technologies Limited	-0.01	1	100	-0.03	0	0	0	0	-0.01
24	Coastal Fertilisers Limited	0	0	0	0	-0.26	24	1,355,979	0.79	-0.26
25	Ethan Constructions Private Limited	0	0	0	0	-0.12	11	12,450	0.37	-0.12
26	Jinesh Devendra Bhatt	0	0	0	0	-0.19	19	4,005	0.58	-0.19
27	KREATIVE FINSOL PRIVATE LIMITED	0	0	0	0	-0.02	1	449	0.06	-0.02
28	Magan Mercantile Pvt Ltd	0	0	0	0	-0.02	2	65,000	0.06	-0.02
Group Total		-3.77	192	2,517,666	11.48	-3.77	192	2,517,666	11.48	

(vii) With regard to the above allegation that 28 Noticees manipulated the price of the scrip of ACIL in Patch-VI by contributing to price fall of Rs. -3.79 which is 11.48% of the market negative LTP by trading amongst themselves, I note that, in the facts of the present case, 11.48% contribution to market negative LTP cannot be called significant for the trades by a group of 28 entities for a period of 5 months i.e. May 05, 2012 – September 22, 2012 (Patch-VI).

(viii) From the above, I find that Noticee no. 8, 12 and 19 have significantly contributed to the market positive LTP during Patch-V. I note that the allegation against the Noticees in the SCN is based on the Noticees acting as a group and trading among themselves during Patch-V. In this regard, the basis of connection amongst Noticees no. 8, 12 and 19 with other connected group entities, as alleged in the SCN, is reproduced below:

Table: 14

Noticee No.	Name of the Noticee	Basis of Connection
8	M/s Aristo Media and Entertainment Private Ltd.	• Off-market transfer with Noticee no. 10 on 17/04/2012 • Off-market transfer with Noticee no. 25 on 28/03/2012 • Off-market transfer with Noticee no. 26 on 29/03/2012 • Off-market transfer with Noticee no. 23 on 26/05/2012 • Off-market transfer with Noticee no. 24 on 26/05/2012 • Off-market transfer with Shri Saurabhkumar Rasiklal Gandhi (one of the 49 connected group entities) on 26/05/2012 • Common directors, viz Shri Krishan Kumar Dhiman & Shri Amar Mahavirsingh Panghal, with Noticee no. • Off-market transfer with Smt. Jasmin S Bajoriya on 10/01/2012 • Off-market transfer with Noticee no. 35 on 26/10/2012
12	M/s Ethan Constructions Private Limited	• Off-market transfer with Noticee no. 27 on 02/03/2012 • Common director viz Shri Shyam Shankar Kadam with Yadon Constructions Pvt. Ltd. (one of the 49 connected group entities).
19	Shri Dharmendra Rikhinchandra Shah HUF	• Off-market transfer with Jhaveri Trading and Investment Pvt. Ltd. (one of the 49 connected group entities) on 12/09/2011

(ix) From the above table, I note that Noticees no. 8, 12 and 19 were connected to multiple entities within the group who had traded amongst themselves and have traded among the group entities and significantly contributed to the market positive LTP during Patch-V.

(x) With regard to the allegations in the SCN, I note that Noticee no. 19 has sent an email dated November 10, 2020, wherein, he has only submitted that he had placed an After Market Order (AMO) before the opening time of market and then got indulged in his routine business activities so he could not look into it back again and that he does not have any relations with ACIL. I note that the submission made by Noticee no. 19 is evasive without giving any concrete explanation for his trades with other group entities during Patch-V

and no explanation on his connection with the group entities, as alleged in the SCN. I find that he is simply pleading ignorance of his trades in the matter and therefore, I find the aforesaid submission of Noticee no. 19 is untenable.

(xi) I note that Noticees no. 8 and 12 have not filed any reply to the SCN. Further, I note that multiple opportunities of personal hearing was granted to these Noticees, as mentioned in para 6 above. However, Noticees no. 8 and 12 did not appear or seek any adjournment with regard to the opportunity of personal hearing granted to them.

(xii) In view of the findings in the aforesaid paras, I find that Dharmendra Rikhinchandra Shah (Noticee no. 19), Aristo Media and Entertainment Pvt. Ltd. (Noticee no. 8) and Ethan Constructions Pvt. Ltd. (Noticee no. 12) have significantly contributed to market positive LTP during Patch-V.

13. In view of the above, I find that Noticees no. 8, 12 and 19 have violated Regulation 3(a), 3(c), 4(1), 4(2)(a) and 4(2)(e) of PFUTP Regulations, 2003, as alleged in the SCN.

14. I note that, as discussed in para 12(v) above, that except for Noticees no. 8, 12 and 19, the individual contribution of the other 16 Noticees (which is less than 1%) to the market positive LTP in Patch-V, is not so significant to invite the rigors of regulatory direction under section 11B of SEBI Act, 1992. Further, I also note that Adjudication proceedings have been initiated and are pending against all the Noticees. Further, as discussed in para 12(vii) above, I find that the allegation that 28 Noticees by trading amongst themselves during Patch-VI and contributing to price fall of Rs. -3.79 which is 11.48% of the market negative LTP, does not call for issuance of regulatory directions under section 11B of SEBI Act, 1992, in the facts and circumstances of this case.

Directions:

15. In view of the aforesaid, I, in exercise of powers conferred upon me under section 11 (4) and 11B, read with section 19 of the SEBI Act, 1992, hereby pass the following directions:

- i. Noticees no. 8, 12 and 19 are restrained from accessing the securities market and further prohibited from buying, selling or otherwise dealing in securities, directly or indirectly, or being associated with the securities market in any manner, whatsoever, for a period of three (3) months, from the date of this order;
 - ii. Proceedings against Noticees no. 1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 13, 14, 15, 16, 17, 18, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36 and 37, are disposed of without any directions.
16. This order comes into force with immediate effect. The obligation of the Noticees debarred in the present Order, in respect of settlement of securities, if any, purchased or sold in the cash segment of the recognized stock exchange(s), as existing on the date of this Order, can take place irrespective of the restraint/prohibition imposed by this Order, only in respect of pending unsettled transactions, if any. Further, all open positions, if any, of the Noticees debarred in the present Order, in the F&O segment of the stock exchanges, are permitted to be squared off, irrespective of the restraint/prohibition imposed by this Order.
17. A copy of this Order shall be served on the Noticees, recognized Stock Exchanges, Depositories, Registrar and Share Transfer Agents of Mutual Funds to ensure compliance with the above directions.

Sd/-

Place: Mumbai

ANANTA BARUA

Date: August 27, 2021

WHOLE TIME MEMBER

SECURITIES AND EXCHANGE BOARD OF INDIA