

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
(ADJUDICATION ORDER NO: Order/KS/AE/2020-21/10152)

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

In respect of:

Avlokan Dealcom Pvt Ltd

PAN: AALCA1583G

(CIN: U51909WB2012PTC179316)

In the matter of

Radford Global Ltd.

FACTS OF THE CASE

1. Based on certain preliminary findings in regard to the preferential allotment of shares in the scrip of Radford Global Ltd. (hereinafter referred to as 'RGL'/'Company'), Securities and Exchange Board of India (hereinafter referred to as 'SEBI') passed two separate interim orders dated December 19, 2014 and November 09, 2015 in the matter. Thereafter, SEBI received reference from Principal Directors of Income Tax, Kolkata, Delhi and Chandigarh as well as from Financial Intelligence Unit. Based on these data, SEBI conducted investigation in the trading in the scrip of RGL for the period of

February 27, 2012 to March 24, 2014 (hereinafter referred to as '**Investigation Period**'/'**IP**') to ascertain whether there were any violations of the provisions of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as "**SEBI Act**") and SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (hereinafter referred to as "**PFUTP Regulations**") by certain entities.

2. The company was originally incorporated in 1994 under the name Rosette Resorts Limited. Thereafter, the company changed its name to P.S. Global Ltd in the year 2011 and to Radford Global Limited in the year 2012. The company is engaged in the business of construction and real estate, textile, chemicals, trading in securities markets and manpower recruitment services. RGL was listed on Bombay Stock Exchange (**BSE**) on June 20, 1995.
3. On the basis of investigation conducted by SEBI for the transactions in the scrip of RGL, it is *inter-alia* alleged that, Avlokan Dealcom Pvt Ltd (hereinafter referred to as '**Noticee**') had violated the provisions of Section 12A(a), (b) and (c) of SEBI Act read with Regulations 3(a), (b), (c), (d) and 4(1), 4(2)(a) & (e) of PFUTP Regulations.

APPOINTMENT OF ADJUDICATING OFFICER

4. The undersigned was appointed as the Adjudicating Officer, vide Order dated March 23, 2018 under Section 19 read with Section 15-I(1) of the SEBI Act read with Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as '**Adjudication Rules**') to inquire into and adjudge under the provisions of Section 15HA of the SEBI Act, the alleged

violations of the relevant provisions of SEBI Act read with PFUTP Regulations by the Noticee.

SHOW CAUSE NOTICE, REPLY AND PERSONAL HEARING:

5. A common show cause notice ref. SEBI/EAD/KS/MKG/31178/2018 dated November 02, 2018 (hereinafter referred to as '**SCN**') was issued, *inter-alia*, to the Noticee, under the provisions of Rule 4(1) of the Adjudication Rules, to show cause as to why an inquiry should not be held against him and why penalty, if any, should not be imposed on him under Section 15HA of the SEBI Act for alleged violation of the relevant provisions of law.
6. The said SCN was sent through Speed Post with Acknowledgement Due at its address as per the records, however, the same returned undelivered with the caption "*No such consignee in this address.*" Accordingly, in terms of Rule 7(c) of the Adjudication Rules, the SCN was sent for affixture at the address of the Noticee. As per the available records, I note from the affixture report dated February 02, 2019, that the SCN was pasted at the address of the Noticee, however no witness were available at the time of affixture; further it was recorded in the affixture report that the company was not available at the said address. Further, a copy of the unserved SCN was uploaded in the section "Unserved Summons / Notices" in the SEBI website. As the SCN issued to several other Noticees in the matter had returned undelivered from the respective addresses, it was decided to publish public notice in respect of such Noticees, including the present Noticee. Accordingly, the details of the unserved SCN was published in the Hindustan Times / Times of India on August 10, 2020.

However, no reply to the SCN was received from the Noticee. Subsequently, the Noticee was granted an opportunity of personal hearing on October 05, 2020. The details of the same were published vide public notice on September 16, 2020 in The Statesman. However, no reply was received from the Noticee nor did the Noticee appeared for the said hearing.

7. In view of the above, I am compelled to proceed in the matter against the Noticee *ex parte*. I am of the view that principles of natural justice have been complied with since sufficient opportunities have been provided to the Noticee to submit reply and to appear for hearing, which the Noticee has failed to avail of. Therefore, the present proceedings against the Noticee are undertaken *ex parte* on the basis of available documents and information.

CONSIDERATION OF ISSUES AND FINDINGS:

8. I have taken into consideration the facts and circumstances of the case, and the material available on record. The issues that arise for consideration in the present case are :
 - a. Whether the Noticee, by his trades, has resulted in false and misleading appearance of trading as well as contributed to the price in the scrip of RGL (during patch 2) and, therefore, has violated the provisions of Section 12A(a), (b), and (c) of SEBI Act read with Regulation 3(a), (b), (c), and (d) and 4(1), (2) (a) and (e) of PFUTP Regulations?

- b. If yes, whether the Noticee is liable for penalty under Section 15HA of SEBI Act?
 - c. If yes, what should be the quantum of penalty that should be imposed on the Noticee?
9. Before moving forward further, the relevant extracts of the provision of law, allegedly violated by the Noticee, are mentioned as under-

SEBI Act

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

12A. *No person shall directly or indirectly—*

- (a) use or employ, in connection with the issue, purchase or sale of any securities listed or proposed to be listed on a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of this Act or the rules or the regulations made thereunder;*
- (b) employ any device, scheme or artifice to defraud in connection with issue or dealing in securities which are listed or proposed to be listed on a recognised stock exchange;*
- (c) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person, in connection with the issue, dealing in securities which are listed or proposed to be listed on a recognised stock exchange, in contravention of the provisions of this Act or the rules or the regulations made thereunder;*

PFUTP Regulations

3. Prohibition of certain dealings in securities

No person shall directly or indirectly—

- (a) buy, sell or otherwise deal in securities in a fraudulent manner;*

- (b) *use or employ, in connection with issue, purchase or sale of any security listed or proposed to be listed in a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of the Act or the rules or the regulations made there under;*
- (c) *employ any device, scheme or artifice to defraud in connection with dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange;*
- (d) *engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with any dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange in contravention of the provisions of the Act or the rules and the regulations made there under.*

4. Prohibition of manipulative, fraudulent and unfair trade practices

- (1) *Without prejudice to the provisions of regulation 3, no person shall indulge in a fraudulent or an unfair trade practice in securities.*
- (2) *Dealing in securities shall be deemed to be a fraudulent or an unfair trade practice if it involves fraud and may include all or any of the following, namely:—*
 - (a) *indulging in an act which creates false or misleading appearance of trading in the securities market;*
 - (e) *any act or omission amounting to manipulation of the price of a security;*

Now I proceed to examine the issues raised above.

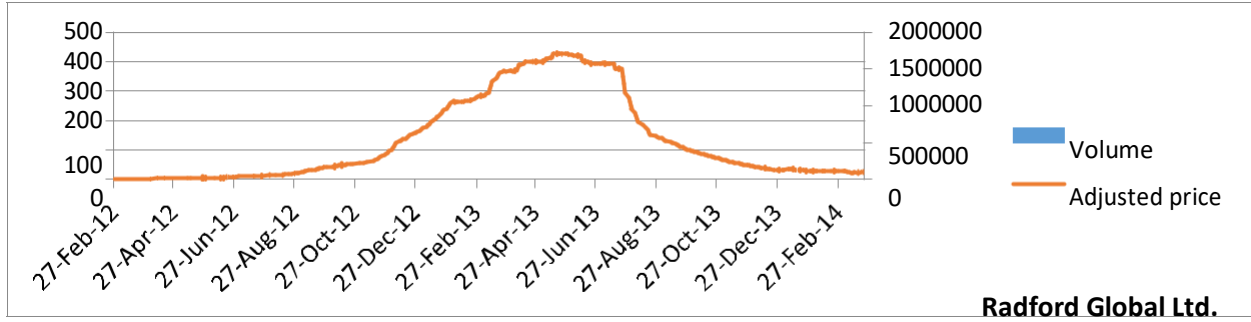
- a. Whether the Noticee, by his trades, has resulted in false and misleading appearance of trading as well as contributed to the price in the scrip of RGL (during patch 2) and, therefore, has violated the provisions of Section 12A(a),**

(b), and (c) of SEBI Act read with Regulation 3(a), (b), (c), and (d) and 4(1), (2) (a) and (e) of PFUTP Regulations?

10. I note from the Investigation Report (IR) that the price volume data for the scrip during the investigation period is as follows:

Period	Dates		Opening Price & Vol. on first day of the period (Rs)	Closing price & vol. on last day of the period (Rs.)	Low price & vol. (date) during the period (Rs.)	High price & vol. (date) during the period (Rs.)	Avg. no. of (shares) traded daily during the period.
Patch 1 (Pre-Split price rise)	(27/02/2012-28/01/2013)	Price	3.2	241.35	3.2 (27/02/2012)	241.35 (28/01/2013)	98.76
		Vol	100	5	1 (1 share on 26 trading days)	4385 (10/01/2013)	
Patch 2 (Post Split price rise)	(29/01/2013-23/07/2013)	Price	49.2	75	49.2 (29/01/2013)	86 (21/05/2013)	495063
		Vol	10	180675	5 (30/01/2013)	1747580 (22/04/2013)	
Patch 3 (Post Split price fall)	24/07/2013-24/03/2014	Price	74.1	4.89	4.58 (12/03/2014)	74.1 (24/07/2013)	160285
		Vol	172685	1250817	1 (1 share each on 12/11/2013 & 13/02/2014)	1250817 (24/03/2014)	
Post investigation	25/03/2014-30/05/2014	Price	4.66	8.35	4.4 (01/04/2014)	8.67 (22/05/2014)	54582
		Vol	625	24001	10 (10 shares each on 25/04/2014 & 20/05/2014)	1050544 (27/03/2014)	

11. Further, the adjusted price volume chart (stock split) during the investigation period is as under:



12. I note that during the investigation period, share price of RGL opened at Rs. 3.2 (February 27, 2012), touched a high of Rs. 241.35 (January 28, 2013) and closed at Rs. 4.89 (March 24, 2014). Further, 8,46,12,644 shares were traded through 98,490 trades during the investigation period.

13. I note from the IR that a group of 24 entities, which includes the Noticee, were collectively referred to as “Group Entities” on the basis of connection amongst themselves.

14. During Patch 2 (i.e. the period from 29/01/2013 to 23/07/2013), share price of RGL increased from Rs. 49.2 on January 29, 2013 to Rs. 86 on May 21, 2013. Closing price on last day of Patch 2 i.e. on July 23, 2013 was Rs. 75/-. In Patch 2, 16 entities of connected Group Entities have contributed to net positive LTP as buyers. The details of their trading are as under:

Sl.	Name	All Trades			LTP diff > 0			LTP diff < 0			LTP diff = 0		% of Positive LTP to Total Market Positive LTP
		LTP Impact	QTY traded	No of trades	LTP Impact	QTY traded	No of trades	LTP Impact	QTY traded	No of trades	QTY traded	No of trades	
1	Amrusha Mercantile Pvt. Ltd.	17.30	3374465	8345	25.10	144215	311	-7.80	60465	87	3169785	7947	8.34
2	Devakantha Trading Pvt. Ltd.	14.70	2525591	12615	27.75	72776	334	-13.05	13023	84	2439792	12197	9.23
3	Udbal Mercantile Pvt. Ltd.	12.75	2905451	7173	17.65	91208	179	-4.90	39867	51	2774376	6943	5.87
4	Shelter Sales Agency Pvt. Ltd.	12.05	3156896	7762	20.15	120585	247	-8.10	47354	94	2988957	7421	6.70
	Amit Singh	3.50	3193625	1024	5.15	204350	63	-1.65	37472	24	2951803	937	1.71

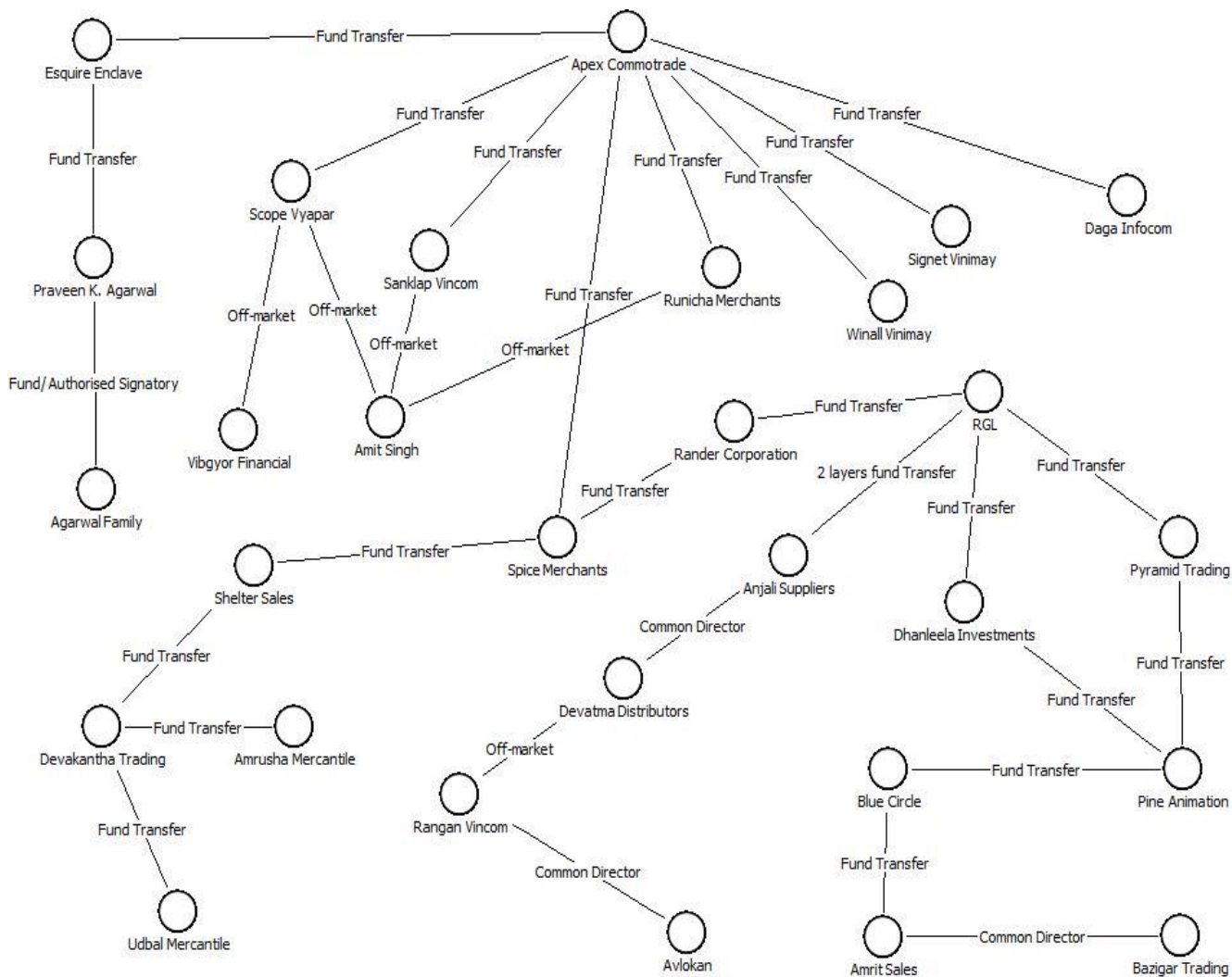
5	Runicha Merchants Pvt Ltd.	3.45	1584913	1175	3.90	92432	56	-0.45	6026	6	1486455	1113	1.30
6	Spice Merchants Pvt. Ltd.	3.10	3342475	1809	5.65	141130	72	-2.55	54216	32	3147129	1705	1.88
7	Apex Commotrade Pvt. Ltd.	2.55	1223735	777	2.90	46487	44	-0.35	12400	5	1164848	728	0.96
8	Winall Vinimay Pvt. Ltd.	1.95	2189989	1100	2.95	73572	40	-1.00	20000	9	2096417	1051	0.98
9	Signet Vinimay Pvt. Ltd.	1.35	903711	698	1.50	36061	25	-0.15	2348	3	865302	670	0.50
10	Sanklap Vincom Pvt. Ltd.	1.10	892600	233	1.40	64408	18	-0.30	18350	5	809842	210	0.47
11	Pyramid Trading & Finance Ltd.	0.60	648175	494	1.00	27308	15	-0.40	7100	5	613767	474	0.33
12	SKM Travels Pvt. Ltd.	0.25	494050	142	0.35	24635	6	-0.10	5500	2	463915	134	0.12
13	Vibgyor Financial Service Pvt. Ltd.	0.10	82000	12	0.10	8000	2	0.00	0	0	74000	10	0.03
14	Bazigar Trading Pvt. Ltd.	0.05	34500	12	0.05	2347	1	0.00	0	0	32153	11	0.02
15	Avlokan Dealcom Pvt. Ltd.	0.05	389706	97	0.40	33944	7	-0.35	15580	7	340182	83	0.13
Group net positive LTP		74.85	26941882	43468	116.00	1183458	1420	-41.15	339701	414	25418723	41634	38.56
Total Group Entities		24.35	37903013	56895	139.30	1377901	1612	-114.95	1743325	1278	34781787	54005	46.31
Total Market		25.80	60397726	85301	300.8	3129367	2640	-275	3024530	2009	54243829	80652	100

15. As brought out in the above table, it is observed that 16 Group Entities contributed Rs.74.85 to net LTP and Rs.116 of positive LTP (i.e. 38.56% of the total market positive LTP) in 1420 trades for 11,83,458 shares. Further analysis of these 1420 trades revealed that in 379 trades for 2,24,612 shares, the counterparties were Group Entities. I note that trading among Group Entities have contributed Rs. 23.35 to positive LTP which is 7.77% of total market LTP. The details pertaining to positive LTP contribution by Group Entities as sellers are given below:

Buyer Name	Sr. No.	Noticee no.	Seller	LTP > 0	Qty.	No. of Trades	% of mkt. positive LTP
16 Group entities mentioned in Table 8	1	1	Nishit Agarwal Beneficiary Trust	6.15	58670	122	2.04
	2	5	Praveen Kumar Agarwal HUF	5.40	56481	64	1.80
	3	2	Pinky Agarwal	3.90	24346	55	1.30
	4	4	Praveen Kumar Agarwal	3.80	18818	76	1.26
	5	3	Pratik Agarwal Beneficiary Trust	3.70	61152	59	1.23

	6	10	Dhanleela Investments & Trading Company Ltd.	0.20	100	1	0.07
	7	11	Pine Animation Ltd.	0.15	50	1	0.05
	8	20	Daga Infocom Pvt. Ltd.	0.05	4995	1	0.02
			Grand Total	23.35	224612	379	7.77

16. The pictorial presentation of connection among the above entities is as under:



17. It is observed that the above mentioned Group entities (16 buyers and 8 sellers) contributed Rs. 23.35 (7.77%) of market positive LTP and thereby contributed to price rise in the scrip during the IP. Therefore, it is alleged that the intragroup trading amongst the Group entities resulted in false and

misleading appearance of trading in the scrip as well as contributed to price rise in the scrip during Patch 2.

18. Therefore, it is alleged that the intragroup trading in patch 2, by the Group Entities, including the Noticee, was with a manipulative intent to increase the share price of RGL. Thus, the Noticee was alleged to have violated sections 12A(a), (b) and (c) of the SEBI Act read with regulations 3(a), (b), (c), (d) and 4(1), 4(2)(a) & (e) of PFUTP Regulations.

19. I note from the MCA website that the status of the Noticee (CIN: U51909WB2012PTC179316) is being shown as "Strike Off". In this regard, copy of the Company Master data of the Noticee from the MCA website is placed in the file. Since the status of the Noticee is showing as "Strike Off", it is imperative to see whether the Noticee is existing or not. On perusal of the Form No. STK-7, Notice of Striking Off and Dissolution, dated June 30, 2017, as available in the MCA website, it is noted that the Registrar of Companies, West Bengal, has stated that pursuant to Section 248(5) of the Companies Act, 2013, the Noticee has been struck off the register of companies, and stands "dissolved" since June 09, 2017. It is noted from the records that the present adjudication proceedings were approved on September 01, 2017 and the AO was appointed on September 04, 2017, pursuant to which it was contemplated by SEBI to issue settlement notices to various entities in the matter. Subsequently, in March 2018, the matter was referred for adjudication proceedings. I note that the Noticee was struck off the register of companies

and dissolved on June 09, 2017 i.e. even prior to the initiation of the present adjudication proceedings.

20. Since the Noticee has been “dissolved”, in the facts and circumstances of the instant case, I conclude that the adjudication proceedings initiated against the Noticee vide SCN dated November 02, 2018 cannot be proceeded with.

ORDER

21. In view of my findings noted in the preceding paragraphs and in exercise of the powers conferred upon me under Section 15-I of the SEBI Act read with Rule 5 of the Adjudication Rules, I hereby dispose of the Adjudication Proceedings initiated against Noticee viz. Avlokan Dealcom Pvt Ltd vide SCN dated November 02, 2018, without going into the merits of the case.

22. In terms of the provisions of Rule 6 of the Adjudication Rules, a copy of this order is being sent to the Noticee viz. Avlokan Dealcom Pvt Ltd and also to the Securities and Exchange Board of India.

Place: Mumbai

Date: January 22, 2021

**K SARAVANAN
CHIEF GENERAL MANAGER
AND ADJUDICATING OFFICER**