

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

CONSENT ORDER

ON THE APPLICATIONS SUBMITTED BY

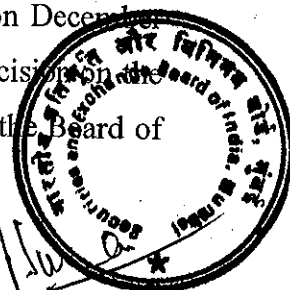
ATN INTERNATIONAL LTD. (PAN No. AACCA5744Q)  
SANTOSH KUMAR JAIN (PAN No. ACQPJ7823E)  
ARIHANT JAIN (PAN No. ADWPJ8453B)  
KISHAN KUMAR KHADARIA (PAN No. AAHPK3724G)  
SANTOSH KUMAR LAHOTI (PAN No. AAVPL7078G)  
SILICON VALLEY INFOTECH LTD (PAN No. AABCP5702G)

IN THE MATTER OF

ATN INTERNATIONAL LIMITED

(CONSENT APPLICATION NOS. 836/2008, 1381/2009, 1428/2009 AND 2092/2010)

1. SEBI had conducted an investigation into the dealings in the scrip of M/s ATN International Ltd (hereinafter referred to as ATN) relating to certain corporate announcements made by ATN and its compliance of various regulatory provisions during the period December 1, 2004 to January 15, 2005. The Board of Directors of ATN comprised of Shri Santosh Kumar Jain, Shri Arihant Jain, Shri Kishan Kumar Khadaria and Shri Santosh Kumar Lahoti. Santosh Kumar Jain is a common director in ATN and Silicon Valley Infotech Ltd. (hereinafter referred to as SVITL).
2. In terms of the findings of investigation, ATN was found to have informed the Bombay Stock Exchange on December 06, 2004 that its Board of Directors were scheduled to meet on December 20, 2004 to, inter alia, consider the rights issue of its shares. An advertisement regarding the same was also issued in a few newspapers on December 07, 2004. However, at its meeting held on December 20, 2004, the Board of Directors of ATN had decided to defer the decision on the rights issue to a future date without assigning any reason. However, the Board of



directors considered the proposal for restructuring the capital of the company and decided to reduce the paid up value of the equity share capital of the company from Rs. 10 per share to Rs. 4 per share by canceling the paid up value of Rs. 6 per share which was not represented by available assets.

3. The investigation further revealed that ATN and its directors had no real intention to come out with a rights issue and that in fact, the announcements were found to have been made by ATN with a view to create interest of the investors in the scrip and to enable group entities to offload their respective shares at higher prices before reduction of the share capital. It was also found that after the aforesaid announcements were made, the price of the scrip of ATN during this period had risen from ₹ 3.87 to ₹ 6 and that Silicon Valley Infotech Ltd. had offloaded 12,42,925 shares in the market. In view of the above, ATN and its directors were alleged to have violated the provisions of Regulations 3(a), (b), (c), (d), 4 (1), 4 (2)(k) and 4 (2)(r) of the SEBI (Prohibition of Fraudulent and Unfair trade Practices) Regulations 2003.
4. It was further noted that Shri Santosh Kumar Jain, Managing Director of SVITL and also of ATN, was in the possession of price sensitive information that ATN would reduce its share capital and that based on such information, SVITL had offloaded shares of the ATN during the interim period to benefit from the price rise. Thus, Shri Santosh Kumar Jain and SVITL were alleged to have violated Regulation 3(i) of the SEBI (Prohibition of Insider Trading), Regulations 1992 read with Section 12A (d) and (e) of the SEBI Act, 1992.
5. It was further noted that there was a delay of three and half years by ATN and its directors in complying with the model Code of Conduct mentioned in Schedule I under Regulation 12 (1) of the SEBI (Prohibition of Insider Trading) Regulations, 1992.



6. In terms of the findings of investigation, adjudication proceedings and proceedings under section 11(4) and 11B of the SEBI Act, 1992 were initiated against all the applicants.
7. While these proceedings were in progress, the applicants, in terms of SEBI Circular No. EFD/ED/Cir-1/2007 dated April 20, 2007, filed separate consent applications dated July 15, 2008, June 11, 2009, July 13, 2009 and August 12, 2010 and the revised terms of consent vide letters dated February 19, 2011 and February 24, 2011 for the settlement of the below mentioned proceedings:

Sr. No (1)	Applica tion no. (2)	Name of the Applicant/s (3)	Proceedings / Details of show cause notices (4)	Revised terms of consent (5)
1	836/08	ATN International Ltd	Adjudication Proceedings against Show Cause Notice EAD/DSR/127801/2008 dated June 5, 2008	Rs. 1 lakh towards settlement terms and voluntary debarment of the company from buying, selling or otherwise accessing the securities market for a period of 2 years from the date of the order.
2	1428/09	Silicon Valley Infotech Ltd.	Adjudication Proceedings against Show Cause Notice EAD/DSR/127805/2008 dated June 5, 2008	Rs. 1 lakh towards settlement terms and voluntary debarment of the company from buying, selling or otherwise accessing the securities market for a period of 1 year from the date of the order.
		Santosh K Jain	Adjudication Proceedings against Show Cause Notice EAD/DSR/127799/2008 dated June 5, 2008	
3	1381/09	ATN International Ltd.	Show Cause Notice IVD/ID7/ATN/SG/NS/160 484/2009 dated April 21, 2009 under sections 11(4) and 11B of the SEBI Act 1992.	Rs. 20 Lakhs towards settlement terms by Mr. Santosh Kumar Jain and Rs. 2 Lakhs towards settlement terms by each director namely Mr. Arihant Jain, Mr. Kishan Kumar Khadaria and Mr. Santosh Kumar Lahoti and voluntary debarment to Mr. Santosh Kumar Jain from
		Santosh K Jain		
		Arihant Jain		
		Kishan Khadaria		
		Santosh Kr. Lahoti		
4	2092/10	ATN	Adjudication Proceedings	

*[Handwritten signature and circular stamp]*

	International Ltd.	against Show Cause Notice EAD/DSR/127801/2008 dated June 5, 2008	buying, selling or otherwise accessing the securities market for a period of 2 years from the date of the order.
	Arihant Jain	Adjudication Proceedings against Show Cause Notice EAD/DSR/127766/2008 dated June 5, 2008	
	Kishan Khadaria	Adjudication Proceedings against Show Cause Notice EAD/DSR/127767/2008 dated June 5, 2008	
	Santosh Kr. Lahoti	Adjudication Proceedings against Show Cause Notice EAD/DSR/127768/2008 dated June 5, 2008	

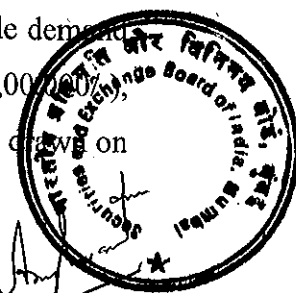
8. The High Powered Advisory Committee constituted by SEBI considered the revised consent terms proposed by the applicants and recommended the settlement of all the abovementioned pending proceedings through a consent order on payment of ₹ 28,00,000/- (Rupees Twenty Eight Lakh Only) in aggregate by the applicants towards settlement charges and subject to further conditions as specified below :-

(a) Voluntary debarment from buying, selling or otherwise accessing the securities market for a period of -

(i) 2 (two) years from the date of the order by ATN International Ltd. and Shri Santosh Kumar Jain, and

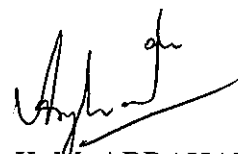
(ii) 1 (one) year from the date of the order by Silicon Valley Infotech Ltd.

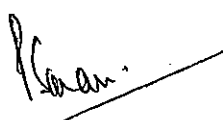
9. SEBI accepted the said recommendations and communicated the same to the applicants vide letter dated May 06, 2011. Accordingly, the applicants, without admitting or denying the charges, have remitted a consolidated sum of ₹ 28,00,000/- (Rupees Twenty Eight Lakh Only) towards settlement charges for settlement of proceedings listed in Column 4 of the Table in para 5 vide demand drafts no. 601858 (₹ 1,00,000/-), 601859 (₹ 1,00,000/-), 410101 (₹ 20,00,000/-), 601860 (₹ 2,00,000/-), 601861 (₹ 2,00,000/-) and 601862 (₹ 2,00,000/-) drawn on Canara Bank, 25, Princep street, Kolkata – 700072, payable at Mumbai.



10. In view of the above, it is hereby ordered that this consent order dispose the proceedings listed in Column 4 of the Table in para 5 above against the applicants. It is further ordered that ATN International Ltd. and Shri Santosh Kumar Jain shall not buy, sell or otherwise access the securities market for a period of 2 years from the date of this consent order and that Silicon Valley Infotech Ltd. shall not buy, sell or otherwise access the securities market for a period of 1 year from the date of this consent order.
11. A copy of this order shall also be forwarded to all the recognized stock exchanges and the depositories to ensure that the applicants i.e ATN International Ltd., Silicon Valley Infotech Ltd. and Shri Santosh Kumar Jain do not buy, sell or otherwise access the securities market as per the above consent terms.
12. This order is without prejudice to the right of SEBI to initiate enforcement actions, including commencing or reopening of the proceedings pending against applicant, if:
- a) any representation made by the applicants in this consent proceeding is subsequently discovered to be untrue; or
  - b) the applicant breaches any of the consent terms or undertakings filed in this consent proceeding.
13. This consent order is passed on this day, the 20<sup>th</sup> of June, 2011 and shall come into force with immediate effect.



  
Dr. K. M. ABRAHAM  
WHOLE TIME MEMBER

  
PRASHANT SARAN  
WHOLE TIME MEMBER