

**BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
[ADJUDICATION ORDER NO. EAD-12/ AO/SM/ 27 /2018-19]**

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

In respect of:

**Anand Kamalnayan Pandit
(PAN: ADMPP1798B)**

In the matter of Octant Interactive Technologies Limited

FACTS OF THE CASE IN BRIEF

1. Securities and Exchange Board of India (hereinafter referred to as 'SEBI'), conducted an investigation in the scrip of Octant Interactive Technologies Limited (hereinafter referred to as "OITL/ company") and observed that the shareholding of Anand Kamalnayan Pandit (hereinafter referred to as "Noticee") had reduced by more than 2% of the his total shareholding and he failed to disclose it to the company as per 13(3) read with 13(5) of SEBI (Prohibition of Insider Trading) Regulations, 1992 (hereinafter referred to as "PIT Regulations") read with regulation 12(2) of SEBI (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as "PIT 2015").

APPOINTMENT OF ADJUDICATING OFFICER

2. Vide an order of the Competent Authority, SEBI, dated April 4, 2013, Mr. Piyoosh Gupta had been appointed as the Adjudicating Officer under section 19 of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as "SEBI Act") read with section 15 I of SEBI Act and rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating

Officer) Rules, 1995 (hereinafter referred to as 'Rules') to inquire into and adjudge the alleged violations of provisions of PIT Regulations. Subsequently, this case was transferred to different Adjudicating Officers and the undersigned has been appointed as the Adjudicating Officer in the matter vide order dated June 27, 2017.

SHOW CAUSE NOTICE, REPLY AND HEARING

3. Based on the findings by SEBI, Show Cause Notice dated August 23, 2013 (hereinafter referred to as 'SCN') was issued to the Noticee under Rule 4(1) of AO Rules to show cause as to why an inquiry should not be held and penalty should not be imposed on him under Section 15A (b) of SEBI Act for the alleged violation. The Noticee, vide letter dated September 3, 2013 replied to the SCN stating, inter alia, that *"I have made the necessary disclosure to the Company in prescribed time, acknowledgement of the same is attached herewith for your reference and records."* The Noticee further submitted copies of letter/s dated August 25, 2009 and August 6, 2009 duly acknowledged by the company.
4. In order to comply with the principles of natural justice an opportunity of personal hearing was given to the Noticee on January 5, 2015 by the erstwhile Adjudicating Officer (Ms. Anita Kenkare). The notice was affixed at the last known address of the Noticee. However, no one appeared on the scheduled date. Another opportunity of hearing was given to the Noticee on January 23, 2015. This, too, was affixed at the last known address of the Noticee. No one appeared on the scheduled date.
5. I have also given an opportunity to the Noticee on February 15, 2018. The Noticee, vide letter dated January 29, 2018 submitted a reply stating, inter alia, that *"I want to inform you that I have already submitted my response to your above mentioned notice dated 23-Aug-2013 via my letter dated 3rd Sep, 2013 received by you on 10th Sep, 2013."* Final opportunity of personal hearing was given to the Noticee on March 6, 2018. The Authorised Representatives appeared before me and reiterated the written submissions already made.

CONSIDERATION OF ISSUES AND EVIDENCE

6. I have carefully perused the charges levelled against the Noticee in the SCN, his reply and the material / documents available on record. In the instant matter, the following issues arise for consideration and determination:-

- (a) Whether the Noticee had violated the provisions of regulations 13(3) read with 13(5) of PIT Regulations read with regulation 12(2) of PIT 2015?
 - (b) Do the violations, if any, on the part of the Noticee attract monetary penalty under section 15A(b) of SEBI Act for the alleged violation?; and,
 - (c) If so, what would be the quantum of monetary penalty that can be imposed on the Noticee after taking into consideration the factors mentioned in section 15J of the SEBI Act?
7. Before proceeding further, I would like to refer to the relevant provisions of the PIT regulations, and PIT 2015:

Relevant provisions of PIT Regulations:

Continual disclosure.

(3) Any person who holds more than 5% shares for voting rights in any listed company shall disclose to the company in Form C the number of shares or voting rights held and change in shareholding or voting rights, even if such change results in shareholding falling below 5%, if there has been change in such holdings from the last disclosure made under sub-regulation (1) or under this sub-regulation; and such change exceeds 2% of total shareholding or voting rights in the company.

(5) The disclosure mentioned in sub-regulations (3), (4) and (4A) shall be made within two working days of:

- (a) the receipts of intimation of allotment of shares, or*
- (b) the acquisition or sale of shares or voting rights, as the case may be.*

Relevant provisions of PIT 2015:

12. Repeal and Savings:

(2) Notwithstanding such repeal,—

(a) the previous operation of the repealed regulations or anything duly done or suffered thereunder, any right, privilege, obligation or liability acquired, accrued or incurred under the repealed regulations, any penalty, forfeiture or punishment incurred in respect of any offence committed against the repealed regulations, or any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment as aforesaid, shall remain unaffected as if the repealed regulations had never been repealed; and

(b) anything done or any action taken or purported to have been done or taken including any adjudication, enquiry or investigation commenced or show-cause notice issued under the repealed

regulations prior to such repeal, shall be deemed to have been done or taken under the corresponding provisions of these regulations;

8. I note from the documents on record that the Noticee had sold shares during August 2009. The Noticee vide his letter/s dated August 6, 2009 and August 25, 2009 had also intimated the company about change in his shareholding under regulation 13(3) read with 13(5) of PIT Regulations which was acknowledged by the company. In view of the above, I do not find that the charge of violation of regulation 13(3) and 13(5) of PIT Regulations stand established qua the Noticee.

ORDER

9. Having considered the facts and circumstances of the case, the material available on record, the submissions made by the Noticee, I, in exercise of the powers conferred upon me under Section 15-I of the SEBI Act read with Rule 5 of the Adjudication Rules, hereby dispose of the SCN.
10. In terms of the provisions of Rule 6 of the Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules 1995, a copy of this order is being sent to the Noticee viz. Anand Kamalnayan Pandit.

Date : April 24, 2018
Place : Mumbai

SAHIL MALIK
ADJUDICATING OFFICER