

**BEFORE THE ADJUDICATING OFFICER  
SECURITIES AND EXCHANGE BOARD OF INDIA  
[ADJUDICATION ORDER NO.SP/AO/1/2018]**

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

In respect of

M/s. Swarnajyothi Agrotech & Power Limited  
(Formerly Octant Interactive Technologies Limited)  
(PAN: AACCK0438R)

In the matter of

**M/s. Swarnajyothi Agrotech & Power Limited  
(Formerly Octant Interactive Technologies Limited)**

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**FACTS OF THE CASE**

1. Securities and Exchange Board of India (hereinafter referred to as 'SEBI') observed that the shareholding pattern of Swarnajyothi Agrotech & Power Ltd. (formerly Octant Interactive Technologies Ltd.) (hereinafter referred to as '**Notice**'/ '**the Company**' / '**OITL**') for the period September 2009 to September 2010 indicated that the shareholding of the promoters in the OITL declined from 32.58% as of September 30, 2009 to 18.55% as of September 30, 2010.
2. It was observed that Shri L.V. Ramnarayan, a promoter and non-executive director of OITL, sold off-market 5,00,000 shares on April 19, 2010 and 3,00,000 shares on August 20, 2010. Further, during June-July 2010, he sold 2,00,000 shares on the exchange. Details of above sales are as under –

<b>Date of Transaction</b>	<b>Quantity of Shares</b>	<b>Exchange / off-market</b>
19.04.2010	5,00,000	Off-market
09.06.2010	103	Exchange
11.06.2010	1,052	Exchange
22.06.2010	40,000	Exchange
29.06.2010	50,000	Exchange
30.06.2010	8,845	Exchange
12.07.2010	48,343	Exchange
15.07.2010	3,650	Exchange
20.07.2010	3,000	Exchange

Date of Transaction	Quantity of Shares	Exchange / off-market
26.07.2010	30,449	Exchange
27.07.2010	14,558	Exchange
20.08.2010	3,00,000	Off-market
<b>Total</b>	<b>10,00,000</b>	

3. In terms of Regulation 13(4) of the SEBI (Prohibition of Insider Trading) Regulations, 1992 (hereinafter referred to as '**PIT Regulations**'), Shri L.V. Ramnarayan was required to file disclosures with OITL and stock exchanges. The Company in turn was required to make requisite disclosures with the exchange in terms of Regulation 13(6) of the PIT Regulations. It was alleged that the Company failed to make requisite disclosures under Regulation 13(6) of the PIT Regulations to the exchange pertaining to 4,68,792 OITL shares sold by Shri L.V. Ramnarayan in 5 tranches (June 22, 2010; June 29, 2010; July 12, 2010; July 26, 2010 and August 20, 2010) despite receiving the relevant disclosures from him under Regulation 13(4) of the PIT Regulations for the same and further made a delayed disclosure to BSE under Regulation 13(6) with regards to 5,00,000 OITL shares sold by Shri L.V. Ramnarayan on April 19, 2010.
4. Thus, the Company was alleged to be in violation of Regulation 13(6) of the PIT Regulations.

**APPOINTMENT OF ADJUDICATING OFFICER, SHOW CAUSE NOTICE, REPLY AND PERSONAL HEARING**

5. Ms. Anita Kenkare was appointed as the Adjudicating Officer vide order dated August 08, 2013 under section 15-I of SEBI Act to inquire into and adjudge the alleged violations of the provisions of PIT Regulations and SEBI Act, as observed during the investigation conducted into the scrip of Octant Interactive technologies Ltd.
6. SEBI noted that the Company failed to make disclosures under the provisions of Regulation 13(6) of the PIT Regulations. Accordingly a Show Cause Notice (hereinafter referred to as '**SCN**') Ref. No.EAD6/AK/VG/11685/2014 dated April 30, 2014 was issued to the Company under rule 4(1) of SEBI Rules communicating the alleged violations of the PIT Regulations.
7. The Noticee vide letters dated May 19, 2014 and May 28, 2014, submitted reply to the SCN dated April 30, 2014. Vide the aforesaid letters, the Company has *inter alia* submitted as under:
  - a. *That Octant Interactive Technologies Ltd. is renamed as Swarnajyothi Agrotech & Power Ltd. with effect from July 10, 2013;*
  - b. *That, it has not committed any violation of law as alleged in the captioned show cause notice dated April 30, 2014.*

- c. *That, however, in order to avoid litigation with the regulator and to avoid financial burden to the company, which is currently undergoing financial stress, it has decided to make an application to SEBI under Securities and Exchange Board of India (Settlement of Administrative and Civil Proceedings) Regulations, 2014.*
8. Subsequently, the Company vide letter dated May 28, 2014, informed that it would be making an application to SEBI under the Securities and Exchange Board of India (Settlement of Administrative and Civil Proceedings) Regulations, 2014 (hereinafter referred to as '**Settlement Regulations**'). In the meanwhile, the undersigned was appointed as Adjudicating Officer vide order dated December 09, 2014. Vide e-mail dated March 31, 2016 the Company withdrew the consent application.
9. Thereafter, the proceedings under Rule 4(1) of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 were re-initiated and accordingly an SCN Ref. No. EAD/SP/13237/2016 dated May 06, 2016 was issued to the Company to show cause within 14 days from the date of receipt of the SCN as to why an inquiry should not be initiated against it and penalty be not imposed under Section 15A (b) of the SEBI Act for the alleged violation of the PIT Regulations.
10. The Company vide letter dated May 31, 2016, submitted a detailed reply to the SCN dated May 06, 2016 and requested a personal hearing. In the interest of natural justice and in terms of Rule 4(1) of the SEBI Rules, the Company was granted an opportunity of hearing vide letter dated March 29, 2017 and May 24, 2017. The Noticee indicated its inability to attend the aforementioned hearings due to medical reasons.
11. Considering the facts and circumstances of the case, I am of the opinion that no prejudice would be caused to the Noticee in the given matter if further opportunity of hearing under Rule 4(3) of Adjudication Rules is not provided to him before me and I deem it appropriate to decide the matter on the basis of facts/material available on record.

### **CONSIDERATION OF ISSUES AND FINDINGS**

12. I have examined the SCNs and the supplementary SCNs issued to the Noticee, the submissions made by the Noticee in its replies and the documents available on record. I observe that the allegation against the Noticee is that it failed to make the relevant disclosures under Regulation 13(6) of the PIT Regulations.
13. The issues that, therefore, arise for consideration in the present case are:
- Whether the Noticee failed to make the relevant disclosures under Regulation 13(6) of the PIT Regulations?
  - Do the violations, if any, attract monetary penalty under Section 15 A (b) of SEBI Act?

- c. If so, what would be the monetary penalty that can be imposed taking into consideration the factors mentioned in Section 15J of SEBI Act?
14. Before moving forward, it is pertinent to refer to the relevant provisions of the PIT Regulations, which read as under:

***Disclosure of interest or holding in listed companies by certain persons – Initial Disclosure***

**13. ...**

(1)...

(2)...

...

...

***Disclosure by company to stock exchanges.***

- (6) *Every listed company, within two working days of receipt, shall disclose to all stock exchanges on which the company is listed, the information received under sub-regulations (1), (2), (2A), (3), (4) and (4A) in the respective formats specified in Schedule III.*

15. It is noted that OITL vide emails dated May 08, 2013 and April 27, 2013, and Shri L.V. Ramnarayan vide letter dated April 25, 2013 have submitted that disclosures under Regulation 13(4) were filed by Shri L.V. Ramnarayan with the company. Further, both Shri L.V. Ramnarayan, vide letter dated April 25, 2013 and OITL, vide letter dated May 08, 2013 and April 27, 2013, have claimed to have filed relevant disclosures under Regulation 13(4) and Regulation 13(6) respectively with BSE and have submitted copies of the said disclosures.
16. Meanwhile, clarification from BSE (vide e-mail dated September 09, 2017 and November 24, 2017) during the course of adjudication revealed that the scrip of the company was not listed but was in “permitted-to-trade” category on BSE. Trading in this “permitted-to-trade” scrip has been discontinued w.e.f. March 31, 2017. BSE also submitted that in cases of companies which are in the “permitted-to-trade” category, the Exchange disseminates disclosures when received from the company. BSE also stated that the companies are not bound to disclose / file compliances with the Exchange if they are not listed on the exchange. It is pertinent to note that the shares of the company are not listed on BSE. BSE has also indicated that there is no listing agreement signed between the company and BSE. Regulation 13(6) states that every listed company, within two working days of receipt, shall disclose to all stock exchanges on which the company is listed, the information received under sub-regulations (1), (2), (2A), (3), (4) and (4A). Thus, it would seem that obligation for disclosure is on the company that is listed on the particular stock exchange and if there is no listing

on the stock exchange, the obligation to make disclosure to the stock exchange, i.e. BSE in the instant case, under regulation 13(6) does not arise.

17. On perusal of the material available on record and giving regard to the facts and circumstances of the case, I record my findings hereunder.

***ISSUE I: Whether the Noticee failed to make the relevant disclosures under Regulation 13(6) of the PIT Regulations?***

18. In view of my findings recorded as above, I do not find any merit in the allegation that the Noticee Swarnajyothi Agrotech & Power Ltd. and the allegation that the Noticee has violated the provisions of Regulation 13(6) of PIT Regulations is not tenable.

***ISSUE II: Do the violations, if any, attract monetary penalty under Section 15 A (b) of SEBI Act?***

19. In view of the aforesaid findings, this issue does not merit consideration

***ISSUE III: If so, what would be the monetary penalty that can be imposed taking into consideration the factors mentioned in Section 15J of SEBI Act?***

20. Since, the Noticee is not liable for monetary penalty in the instant matter, this issue does not merit consideration

**ORDER**

21. Having considered all the facts and circumstances of the case, the material available on record, the submissions made by the Noticee, as aforesaid, I, in exercise of the powers conferred upon me under Section 15-I of the Act read with Rule 5 of the Adjudication Rules, hereby dispose of the Adjudication proceedings initiated against the Noticee viz, Swarnajyothi Agrotech & Power Ltd. (formerly Octant Interactive Technologies Ltd.) vide SCN dated April 30, 2014 and May 06, 2016 without any penalty.
22. 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. M/s. Swarnajyothi Agrotech & Power Ltd. (formerly Octant Interactive Technologies Ltd.) and also to Securities and Exchange Board of India.

**Date: January 19, 2018**

**Place: Mumbai**

**Sanjay Purao**

**Adjudicating Officer**