BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
[ADJUDICATION ORDER NO. Order/BM/UR/2021-22/15326]

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) RULES, 1995

In respect of

RAMAN GOYAL

(PAN: AFMPG7504C)

In the matter of **Octant Interactive Technologies Limited**

BACKGROUND:

1. SEBI conducted an investigation in the scrip of Octant Interactive Technologies Ltd. (hereinafter being referred to as "**OITL / Octant/ Company**"), a company listed on the BSE Limited (herein after referred to as "**BSE**"), to ascertain whether there was any violation of the provisions of SEBI Prohibition of Fraudulent and Unfair Trade Practices Regulations' 2003 (**PFUTP Regulations**) during the period from January 02, 2009 to September 09, 2009 (hereinafter referred to as the "**investigation period**"). Subsequently, an Adjudication Order (hereinafter referred to as AO) [ADJUDICATION ORDER NO. EAD-9/ AO/SM/52 -86/2019-20] dated August 02, 2019 was passed against the 35 entities for violation of Regulations 3(a), 3(b), 3(c), 3(d), 4(1), 4(2)(a),4(2)(b), 4(2)(e) and 4(2)(g) of Prohibition of Fraudulent and Unfair Trade Practices Regulations 2003. Raman Goyal who is the Noticee in this order appealed before Hon'ble Securities Appellate Tribunal against the AO order dated August 2, 2019.

2. Hon'ble Securities Appellate Tribunal (**SAT**), vide Order dated January 14, 2022, *in appeal no. 781 of 2021* while remitting the Adjudication Order dated August 02*, 2019 remanded the case to Adjudicating Officer for reconsideration on the quantum of penalty only in the light of the decision in* ***Kishore V. Gandhi vs. SEBI*** *dated February 26, 2021 and such other judgments as the appellants may rely upon.* The Hon'ble SAT observed that:

> *"……..Having heard the learned counsel for the parties we find that the controversy involved in the present appeal is squarely covered by a decision of this tribunal dated 17th September, 2021 in appeal no.552 of 2019 Rajendra Agarwal vs. SEBI and other connected appeals. In view of the aforesaid, the finding against the appellant for violating Regulations 3 and 4 of the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 are affirmed. However, the penalty imposed is excessive and cannot be sustained. The appeal is allowed in part. The matter is remitted to the Adjudicating Officer for reconsideration on the quantum of penalty only in the light of the decision in Kishore V. Gandhi HUF dated 26th February, 2021 and such other judgments which the appellant may rely upon."*

APPOINTMENT OF ADJUDICATING OFFICER

3. In compliance with the above directions of the Hon'ble SAT, SEBI vide communique dated January 19, 2022 appointed the undersigned as the Adjudicating Officer (**AO**) under Section 19 and Section 15-I of the SEBI Act, 1992 read with Rule 3 of the SEBI (Procedure for Holding Inquiry and Imposing

Penalties) Rules, 1995 (hereinafter referred to as '**Adjudication Rules'**) to inquire into and adjudge under Section 15HA of the Securities and Exchange Board of India Act, 1992 (hereinafter being referred to as '**SEBI Act'**) for violation of Regulations 3(a), 3(b), 3(c), 3(d), 4(1), 4(2)(a), 4(2)(b), 4(2)(e) and 4(2)(g) of Prohibition of Fraudulent and Unfair Trade Practices Regulations, 2003
alleged to have been committed by the Raman Goyal (hereinafter referred to as **"Noticee / Raman"**),

SHOW CAUSE NOTICE, REPLY AND PERSONAL HEARING

4. Vide Hearing Notice dated February 22, 2022, the appointment of AO in the matter was communicated to the Noticee. Pursuant to the restoration of the case to the file of AO, in accordance with the direction of the Hon'ble SAT, the Noticee were called upon to appear before the undersigned vide the hearing notice on March 04, 2022. Noticee did not file any reply. The Authorized Represenative appeared on behalf of the Noticee. The personal hearing was conducted on scheduled date and time, through video conferencing on the Webex platform. The personal hearing in the matter was completed and hearing minutes are on record. The Authorized Representative informed that no submissions would be made in the instant matter.

ISSUES FOR CONSIDERATION

Hon'ble SAT vide its order in appeal no. 781 of 2021 dated January 14, 2022 held:

"……the controversy involved in the present appeal is squarely covered by a decision of this tribunal dated 17th September, 2021 in appeal no.552 of 2019 Rajendra Agarwal vs. SEBI and other connected appeals."

Hon’ble SAT vide its order dated September 17, 2021 against the appeal to AO order in the captioned matter inter-alia held that:

“……21. On the issue of quantum of penalty reliance was made in the case of Kishor Gandhi (supra) wherein originally a sum of Rs. 10 lac was imposed as penalty but on remand it has been reduced to 25 Rs. 2 lac. We are of the opinion that in this regard, the AO is required to reconsider the quantum of penalty as prima-facie, we find that the penalty imposed is excessive especially after the fresh decision passed by the AO in the matter of Kishor Gandhi (Supra). 22. In view of the aforesaid, the findings against all the appellants except in appeal No. 515 of 2019 Manju Mutha & Anr., for violating Regulations 3 and 4 of the PFUTP Regulations with regard to circular / reversal trades are affirmed. The penalty imposed is excessive and cannot be sustained. The matters are remitted to the AO for reconsideration on the quantum of penalty only in the light of the decision in Kishor Gandhi (supra) dated February 26, 2021 and such other judgments as the appellants may rely upon.”

5. Hon’ble SAT in its order dated January 14, 2022 has affirmed that the Noticee have violated Regulations 3 and 4 of the PFUTP Regulations with regard to circular/ reversal trades in the scrip of Octant and observed as follows-

“……In view of the aforesaid, the finding against the appellant for violating Regulations 3 and 4 of the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 are affirmed. However, the penalty imposed is excessive and cannot be sustained. The appeal is allowed in part. The matter is remitted to the Adjudicating Officer for reconsideration

on the quantum of penalty only in the light of the decision in Kishore V. Gandhi HUF dated 26th February, 2021 and such other judgments which the appellant may rely upon."

6. While the fraudulent activities carried out by the Noticee has been upheld the issue before me is only to reconsider the penalty in the light of decision taken in the AO order dated February 26, 2021 against Kishore Gandhi.

ORDER

7. Hon'ble SAT in its order dated January 14, 2022 in the captioned matter inter-alia observed :

> *"……..However, the penalty imposed is excessive and cannot be sustained. The appeal is allowed in part. The matter is remitted to the Adjudicating Officer for reconsideration on the quantum of penalty only in the light of the decision in Kishore V. Gandhi HUF dated 26th February, 2021 and such other judgments which the appellant may rely upon."*

8. Having considered the facts and circumstances of the case, the material available on record, the factors mentioned in Section 15J of the SEBI Act and specifically considering the observations of Hon'ble SAT order dated January 14 ,2022 and in exercise of power conferred upon me under section 15-I of the SEBI Act, 1992 read with rule 5 of the Adjudication Rules, 1995, I hereby impose following penalty under section 15HA of the SEBI Act, 1992 on the Noticee:

Name of the Noticee	Violation provisions	Penalty
Raman Goyal	Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a), (b), (e), and (g) of PFUTP Regulations, 2003	Rs 2,00,000/- (Rupees Two Lakh only)

9. The Noticee shall remit / pay the said amount of penalty within 45 days of receipt of this order either by way of Demand Draft in favour of "SEBI - Penalties Remittable to Government of India", payable at Mumbai, OR through online payment facility available on the website of SEBI, i.e. www.sebi.gov.in on the following path, by clicking on the payment link:

   ENFORCEMENT → Orders → Orders of AO → PAY NOW

10. The aforesaid Noticee shall forward said Demand Draft or the details / confirmation of penalty so paid to "The Division Chief (Enforcement Department 1 DRA-2), Securities and Exchange Board of India, SEBI Bhavan, Plot No. C – 4 A, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051." The Noticees shall also provide the following details while forwarding DD / payment information:
    - Name and PAN of the Noticee
    - Name of the case / matter
    - Purpose of Payment – Payment of penalty under AO proceedings
    - Bank Name and Account Number
    - Transaction Number

11. In the event of failure to pay the said amount of penalty within 45 days of the receipt of this Order, SEBI may initiate consequential actions including but not limited to recovery proceedings under section 28A of the SEBI Act, 1992 for realization of the said amount of penalty along with interest thereon, *inter alia*, by attachment and sale of movable and immovable properties.

12. In terms of the provisions of rule 6 of the Adjudication Rules, a copy of this order is being sent to the Noticee and also to the Securities and Exchange Board of India.

Date: March 10, 2022 **BARNALI MUKHERJEE**

Place: Mumbai **ADJUDICATING OFFICER**