SAHIL MALIK
Adjudicating officer

Through Speed Post AD

SEBI/EAD-12/SM/JR/ 6122/ 6 /2018
February 28, 2018

Manish Rathi **(PAN: ANCPR8422N)** **15 Hiren Shopping Centre** **S V Road, AMC Road,** **Oppsite Ratna Hotel Goregaon West** **Mumbai 400062**	**Jitendra Chandrabhan Singh** **(PAN: BRBPS1206H)** **26-28 Nirnay Sagar,** **1st Floor, Room 9-C,** **Kalbadevi Road,** **Sadguru Kadam Lane M B Velkar,** **Mumbai 400062**
Kishor V Gandhi HUF **(PAN: AAFHK2040D)** **192/A Heera Panna,** **19th Floor, Haji Ali,** **Mumbai 400026**	**Rashmi Vijayjeet Walia** **(PAN: AABPW3168Q)** **Ganesh Nagar, Gondia** **Maharashtra 441601**
Geeta Ajayjeet Walia **(PAN: AALPW8973B)** **Ganesh Nagar, Gondia** **Maharashtra 441601**	**Narendra Vallabhji Bahuva** **(PAN: ALEPB6133C)** **B.M.C Building- 13/682,** **Sardar Nagar no – 1,** **Sion,** **Mumbai 400022**
Jaywant Ganpat Chavan **(PAN: AERPC7192L)** **Room no. 202** **D 4 Shree Ganesh Co-op housing Society** **Godhbunder Road, Mira Road** **Thane 401107**	**Maheshwar Das** **(PAN: AQCPD5208R)** **Gopalpur, Sarkarpara,** **Maheshtalla** **West Bengal 700143**

सेबी भवन, प्लॉट सं. सी 4-ए, "जी" ब्लॉक, बांद्रा कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व), मुंबई - 400 051.
दूरभाष : 2644 9950 / 4045 9950 (आई.वी.आर. एस.), 2644 9000 / 4045 9000 फैक्स : 2644 9019 से 2644 9022 वेब : www.sebi.gov.in

SEBI Bhavan, Plot No. C4-A, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.
Tel.: 2644 9950 / 4045 9950 (IVRS), 2644 9000 / 4045 9000 Fax : 2644 9019 to 2644 9022 Web : www.sebi.gov.in

Kailash Chandra Mishra (PAN: AUXPM5940Q) 75 Charu Chandra Singh Laneram Krishnapur Howrah, West Bengal 711101	Yogarathinam Siva Arul DUrai (PAN: AABPS8632H) New No. 115, Sir Mohamed Usman Road Nagar, Chennai 600017
Rahul Sharma (PAN: BFMPS6333C) No. 80/82, Madhyam Marg, Mansoravar, Jaipur 302020	L V Ramnarayan (PAN: ABVPR1668R) B/16, 6th Floor, Fair Lawn Co-op Housing Society Near Diamon Garden, S.T Road CHembur Mumbai 400071
Octant Interactive Technologies Ltd. (PAN: AACCK0438R) Door No. A-5, First Floor, Indian Airlines Colony, Opp. Police Lines Secunderabad 500003	

Notice under Rule 4(1) of SEBI (Procedure for Holding Inquiry and imposing penalties by Adjudicating Officer) Rules, 1995 in the matter of Octant Interactive Technologies Limited (Case- II)

1. Securities and Exchange Board of India (hereinafter referred to as SEBI) had appointed Ms. Anita Kenkare as the Adjudicating Officer under Section 19 read with Section 15-I of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as "SEBI Act") and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as "the Rules") to inquire and adjudge into the matter: under section 15 HA of SEBI Act for the alleged violation of regulation 3(a), (b), (c), (d), 4(1), 4(2)(a) and (g) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003 (hereinafter referred to as "PFUTP Regulations") by (1) Manish Rathi, (2) Jitendra Chandrabhan

Singh, (3) Kishor V Gandhi HUF, (4) Rashmi Vijayjeet Walia, (5) Geeta Ajayjeet Walia, (6) Narendra Vallabhji Bahuva, (7) Jaywant Ganpat Chavan, (8) Maheswar Das, (9) Kailashchandra Mishra, (10) Yogarathinam Siva Arul Durai, (11) Rahul Sharma, (hereinafter referred to as Noticee Nos. 1 to 11 respectively and collectively as Noticees) and under section 15A(b) of SEBI Act for the alleged violation regulation 13(4) of SEBI (Prohibition of Insider Trading Regulations), 1992 (hereinafter referred to as "PIT Regulations") by L V Ramnarayan and alleged violation of regulation 13(6) of PIT Regulations read with regulation 12 of SEBI (Prohibition of Insider Trading Regulations), 2015 (hereinafter referred to as "PIT, 2015") by Octant Interactive Technologies Limited (hereinafter referred to as "OITL/ company") for the alleged irregularities in the scrip of OITL between September 1, 2009 to January 15, 2010 (hereinafter referred to as Investigation Period). Pursuant to transfer of the case undersigned has been appointed as Adjudicating Officer (AO) (**Annexure 1**).

2. During the investigation period the scrip price displayed a steady and consistent decline from ₹ 239 on September 02, 2009 to ₹ 10.20 on January 15, 2010.

3. Further, the quarterly shareholding pattern of OITL indicates that a number of promoters sold their stakes in OITL and exited the company during the quarter ended March 2010 and the subsequent quarters. It was also noticed that some entities connected to promoters had sold their stakes towards the end of the investigation period. In this regards it is pertinent to note that the price of the scrip had stabilized by January 15, 2010 at ₹10.20 (closing price). Thereafter the scrip opened at ₹10.40 (January 18, 2010) reached a low of ₹9.15 (February 26, 2010), touched a high of ₹15.51 (May 03, 2010) and closed ₹11.48 (September 30, 2010).

4. The basis of connections between various group entities is as under:

Sr.	Client Name	Basis of connection
	Altra Clean Group	
1	Altra Clean Operations * (Manish Rathi)	As per KYC documents, Manish Rathi and Jitendra Singh share a common bank account with Kotak Mahindra Bank ie (A/c no.:06662000001231). As per KYC documents, Manish Rathi - Altra Clean Operations shares the same address with Amizara Securities & Finance (Proprietor: Indra Pratap Singh) who received OITL shares in the offmarket from OITL Promoter *viz;* Keystone Stock Finance Ltd and also from VRP Financial Services Ltd. (Promoter: Pradeep Dhanuka) during the period January 2, to September 02, 2009.
2	Altra Clean Operations Prop* (Jitendra Singh) —	
3	KishorV Gandhi HUF	Received OITL shares in off market from Manish Rathi- Altra Clean Operation during the period 08/09/09 to 24/09/09
4	Rashmi Vijayjeet Walia	Received OITL shares in off-market from Manish Rathi- Altra Clean Operation & Jitendra SingFT - Altra Clean Operations (Prop) during the period 06/10/09 to 08/10/09.
5	Geeta Ajayjeet Walia	Common address with Rashmi Walia i.e. Ganesh Nagar, Gondia - 441601
6	Narendra Vallabhji Bahuva	Transferred OITL shares to Geeta Walia in off market
7	Jaywant Ganpat Chavan	Received shares in off market from M/s. Altra Clean Operation in the scrip Channel Guide India Ltd.
8	Maheswar Das	Received OITL shares in off market from Jaywant Ganpat Chavan on 18/09/09
9	Kailash Chandra Mishra	Received OITL shares in off market from Maheshwar Das on 12/10/09 and transferred shares to Jaywant Ganpat Chavan and Yogarathinam Durai in offmarket on 15/09/09, 17/09/09 & 16/10/09
10	Yogarathinam Siva Arul Durai	Received OITL shares in off market from Kailash Mishra, Jaywant Ganpat Chavan and Maheshwar Das during the period from 01/09/09 to 03/10/09
11	Rahul Sharma	Received OITL shares in off market from Jaywant Ganpat Chavan on 10/09/09, 17/09/09 & 08/10/09
* It is observed from the KYC documents of Manish Rathi and Jitendra Singh that both entities have represented themselves as proprietor of Altra Clean Operations.		

5. The price movements of the scrip during the investigation period is as under:

Particulars	Price (₹)	Date
Open	239.00	01/09/2009
High	239.00	01/09/2009
Low	9.65	15/01/2010
Close	10.20	15/01/2010

6. The trading activities of the connected entities during the investigation period on the exchange and in the off-market is as under:

Details of trades by Connected Persons												
Sr. No.	Particulars	Off-market trades					Exchange Trades				
		Buy	% of Category Total	Sell	.Of Category Total	Net (Buy-Sell)	Buy	%af Category Total	Sell	% of Category Total	Net (Buy-Sell)
Altra Clean Group											
1	Manish Rathi	387662	30.31	435521	40.82	**-47859**	246584	15.13	14550	1.04	**232034**
2	Jitendra Chandrabha n Singh	144786	11.32	206016	19.31	**-61230**	176861	10.85	10000	0.71	**166861**
3	Kishor V Gandhi HUF	70000	5.47	0	0.00	**70000**	0	0.00	70000	4.98	**-70000**
4	Rashmi Vijayjeet Walia	27006	2.11	0	0.00	**27006**	0	0.00	27006	1.92	**-27006**
5	Geeta Ajayjeet Wa 1 ia	19500	1.52	0	0.00	**19500**	0	0.00	23500	1.67	**-23500**
6	Narendra Vallabhji Bahuva	19500	1.52	19500	1.83	**0**	33890	2.08	0	0.00	**33890**
7	Jaywant Ganpat Chavan	39444	3.08	208639	19.55	**-169195**	129640	7.96	0	0.00	**129640**
8	Maheswar Das	39651	3.10	60185	5.64	**-20534**	33602	2.06	2	0.00	**33600**
9	Kailash Chandra Mishra	25187	1.97	40387	3.79	**-15200**	26200	1.61	0	0.00	**26200**
10	Yogarathinam Siva Arul Durai	78850	6.17	15499	1.45	**63351**	0	0.00	60501	4.31	**-60501**
11	Rahul Sharma	24000	1.88	0	0.00	**24000**	0	0.00	24000	1.71	**-24000**
	Total of Connected Persons	**875586**	**68.45**	**985747**	**92.39**	**-110161**	**646777**	**39.69**	**229559**	**16.34**	**417218**

Details of the aforesaid exchange trades are enclosed in **Annexure 2**.

7. A perusal of the trading activities of the aforesaid entities indicated a circular/ reversal pattern between entities in the table above on the exchange and in the offmarket. It is observed that some of the connected entities, who have only sold shares in the market, have met their pay-in obligation of securities from the shares received in the off-market from connected group entities. An example of the circular/ reversal pattern demonstrated by the trading pattern of a group entity *viz;* Rashmi Walia is given below. The demat account statement of Rashmi Walia indicates the aforesaid circular/cyclical pattern wherein shares received in the offmarket have been utilized towards the settlement of exchange trades.

Details of Circular Trading Pattern of trades by Rashmi Vijayjeet Walia (PAN No.: AABPW3168J)							
Exchange Sell Trades of Rashmi Walia				Offmarket Buy (Cr)Trades of Rashmi Walia (BO ID: 1205280000002262)			
Trade Date	**Client Code**	**Name of Counter-party (Buyer)**	**Quantity**	**Execution Date**	**Source BO ID (Seller)**	**Name of 1* Holder**	**Quantity**
05-10-2009	253662	Manish D Rathi	2000	06-10-2009	1205280000002171	Jitendra C. Singh	10000
	A059	Akta Narendra Patel #	5				
	AO 119	Altra Clean Prop	7995				
		Total (A)	10000			Total (A)	10000
07-10-2009	253662	Manish D Rathi	4000	08-10-2009	IN301983 10511795	Manish D Rathi	7225
	A0119	Altra Clean Prop	6000		1205280000002171	Jitendra C. Singh	76
	D2184	Dhyalal K Dineshbhai #	1				
		Total (B)	10001			Total (B)	10001
12-10-2009	8501095422	Vinay R Somani #	3 5	14-10-2009	IN301774 15284389	Jitendra C. Singh	7005
	A200	Jitendra C. Singh	6965				
		Total (C)	7000			Total (C)	7005
		Grand Total (A+B+C)	27001		Grand Total (A+B+C)	Grand Total	27006
*Note: # = Entity is not from within the connected group.							

8. From the trade logs, it was also noted that there were 13 synchonized trades between 8 Altra Clean group entities amounting to 46,199 shares on 6 different days. Details of these synchronized trades are enclosed in **Annexure 3.** A summary of the circular/reversal and synchronized trading activities amongst the Altra Clean group entities is enclosed as under:

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Sr. No.	Name of Entity	Quantity of shares immlurt W in involved in circular trades (A)	Total Traded Qty of shares on the exchange (B)	Circular trades as a % of Total trades ((A) as %of (B»	No. of days on which circular trading pattern was observed	No of circular trades	Quantity of shares involved in synchronised trades	No. of days on which synchronized trading pattern was observed	No. of synchronised trades
1	Manish Rathi	59,204	2,46,584	24.01	6	18	21,498	2	5
2	Jitendra CSingh	40,960	1,76,861	23.16	4	19	5,000	1	1
3	Kishore V. Gandhi HUF	69,699	70,000	99.57	5	17	26,498	3	6
4	Rashmi Walia	26,965	27,006	99.85	4	19	-	-	.
5	Geeta Walia	8,500	23,500	36.17	2	2	5,000	1	1
6	Narendra Bahuva	5,000	33,890	14.75	1	1	5,000	1	1
7	Jaywant Chavan	63,997	1,29,640	49.37	5	15	10,000	2	4
8	Maheswar Das	11,201	33,602	33.33	3	5	4,701	1	2
9	Ka i 1 a s h C Mi s h ra	3,000	26,200	11.45	1	3	-	.	-
10	Yogarathinam Siva Durai	55,198	60,501	91.23	7	18	14,701	3	6
1 1	Rahul Sharma	23,000	24,000	95.83	3	5	-	-	.
	Total	3,66,724	8,51,784	43.05	16	122	46,199	6	13

i. Qty of shares listed in column (A) pertain to circular trades only and includes sell trades of entities at sr. no. 3, 4, 5, 10, 11 and corresponding buy trades of entities at sr. no. m1, 2, 6, 7, 8, 9 on the exchange which has resulted in circular pattern.

ii. Circular trading pattern was observed on 16 days during the investigation period.

9. Flowcharts depicting the circular/reversal pattern in the offmarket and on the exchange is enclosed as below

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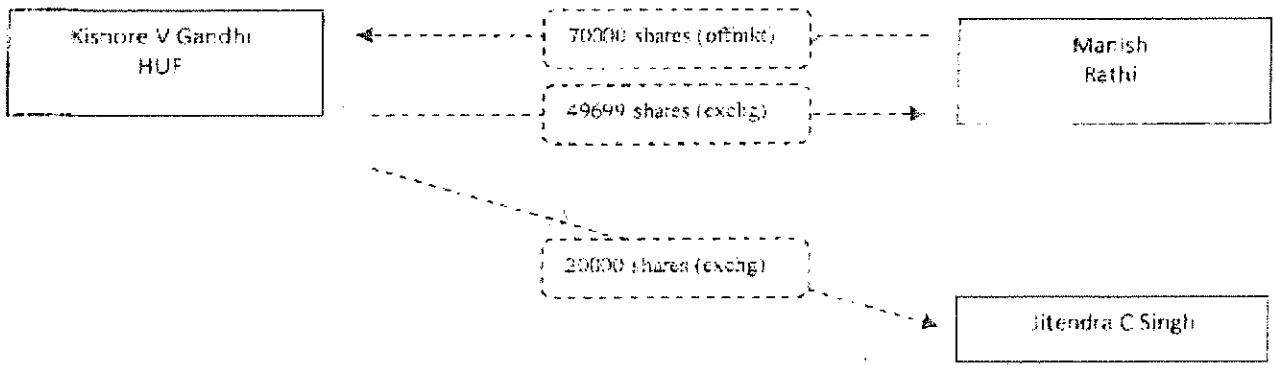
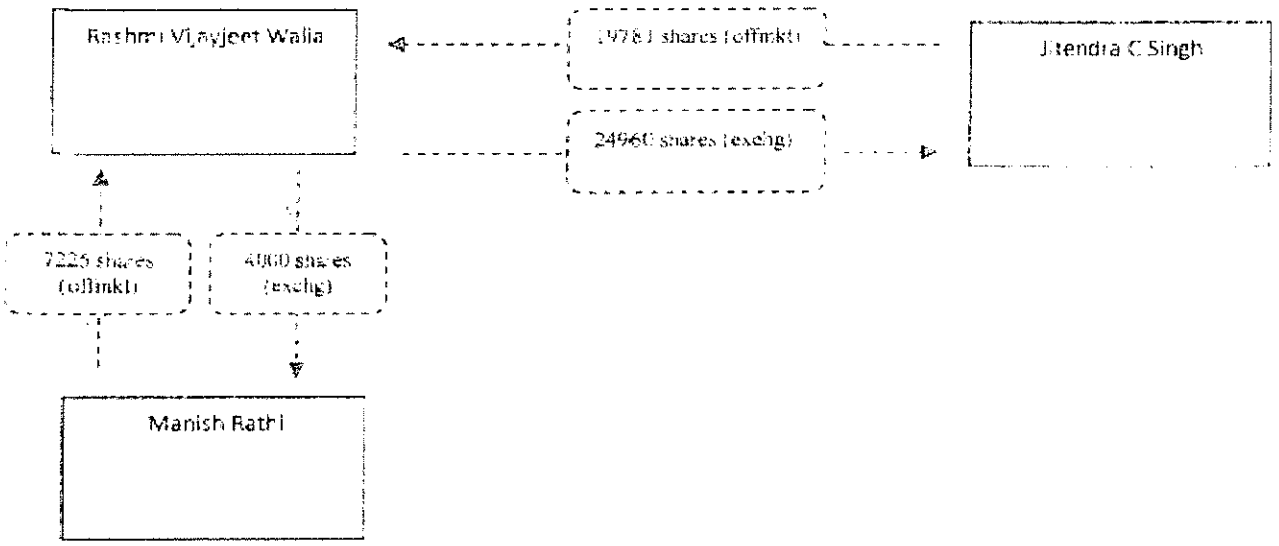
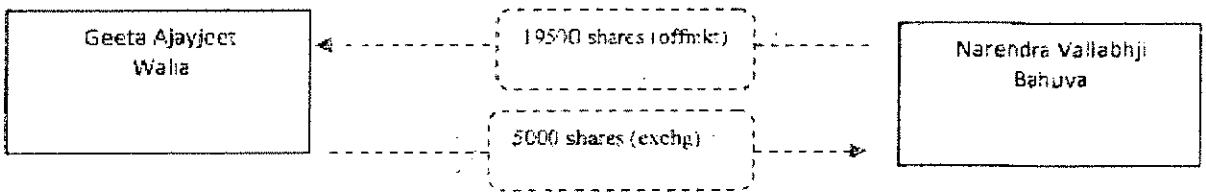
i. Kishore V Gandhi HUF & Manish Rathi, Jitendra C Singh



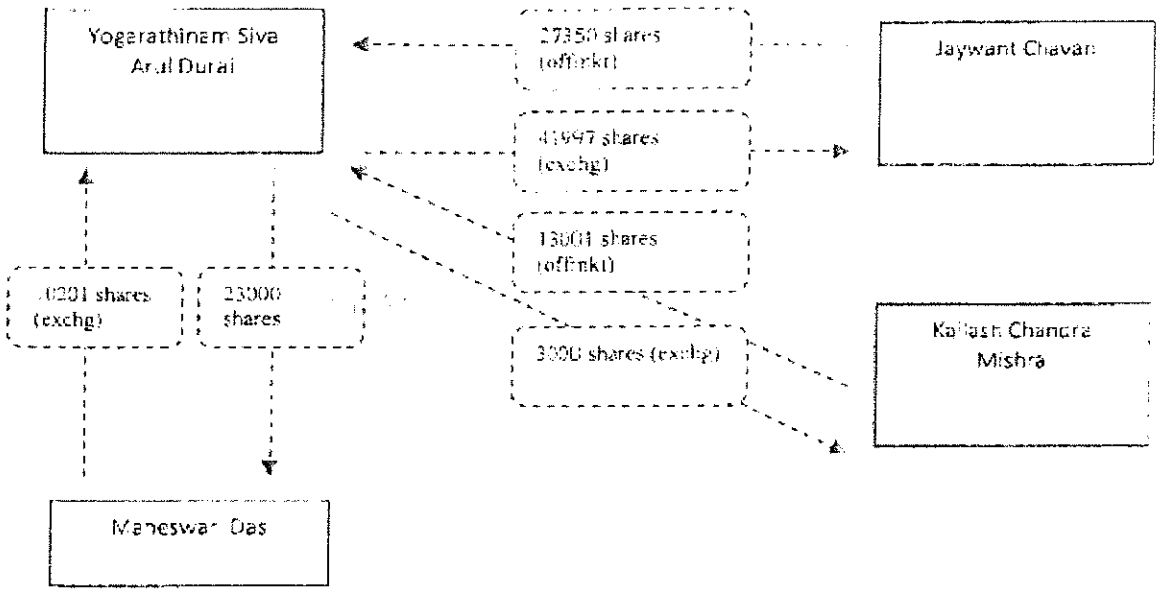
ii. Rashmi Vijayjeet Walia & Jitendra C Singh, Manish Rathi



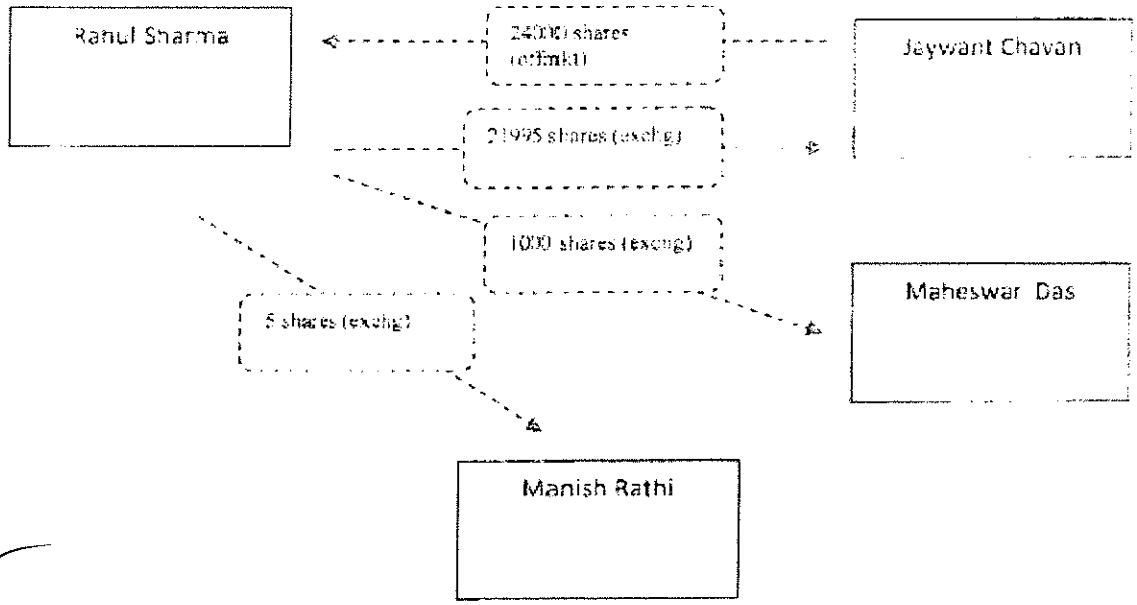
iii. Geeta Ajayjeet Walia & Narendra Vallabhji Bahuva



iv. Yogarathinam Siva Durai & Jaywant Chavan, Maheswar Das, Kailash Chandra Mishra



v. Rahul Sharma & Jaywant Chavan, Maheswar Das, Manish Rathi



10. In view of the above, it is alleged that the Noticees 1 to 11 have indulged in circular/ reversal and synchronized trades and violated provisions of regulations 3(a), (b), (c), (d), 4(1), 4(2)(a) and (g) of PFUTP Regulations.

11. Noticees 1 to 11 are, therefore, called upon to show cause as to why an inquiry should not be held against it and penalty be not imposed under section 15HA of SEBI Act for the alleged violations.

12. During the quarter ended June 2010, 4 other promoters have divested some or whole of their OITL holdings. The details are as under:

Sr.no.	Name of Promoter	No. of shares	% of capital
1	L V Ramnarayan	5,91,155	2.30
2	Pradeep Dhanuka	3,41,900	1.33
3	Vidhata Securities	4,85,520	1.89
4	Dilip VS	5,00,000	1.94

It is noted that Mr. LV Ramnarayan promoter and non-executive director of OITL sold 5,00,000 shares on April 19th, 2010 in the offmarket to Mr Manmohan Sahu and 91,155 shares on the exchange at an average rate of ₹11.97 on 4 trade days i.e June 9th, June 11th, June 22nd and June 29 th, 2010.

13. During the quarter ended September 2010, it was observed that Mr. L V Ramnarayan's total OITL holdings reduced by another 4,08,845, shares (1.59% of OITL's share capital) during the quarter. From the trade logs, it is noted that Mr Ramnarayan sold 1,08,845 shares on the exchange at an average rate of ₹12.10 and the rest in the offmarket.

14. With regards to the disclosures under PIT Regulations pertaining to the aforesaid sale of OITL shares, it appears from the submissions of OITL and Mr Ramnarayan that disclosures under regulation 13(4) were filed by Mr Ramnarayan with the company. Further, both; Mr Ramnarayan and OITL claim to have filed relevant disclosures under regulation 13(4) and regulation 13(6) respectively with BSE and

have submitted copies of the said disclosures. However, a perusal of the same indicates that they do not bear any acknowledgement from BSE.

15. Further, BSE, vide email dated April 22, 2013, submitted that it did not receive any disclosures under regulation 13(4) of PIT Regulations pertaining to sale of OITL shares from Mr L. V. Ramnarayan.

16. Further, vide email dated May 08, 2013, BSE indicated that it had received only one disclosure under regulation 13(6) of PIT Regulations from OITL pertaining to the 5,00,000 OITL shares sold by Mr Ramnarayan. A perusal of the said disclosure indicates that the aforesaid sale happened on April 19, 2010 and Mr Ramnarayan intimated OITL of the aforesaid sale on the same day. However, it is noted that OITL, in turn, filed the aforesaid disclosure under regulation 13(6) with BSE on April 24, 2010 indicating a delay of 3 working days.

17. In terms of regulation 13(4) of SEBI (PIT) Regulations, 1992, Mr. Ramnarayan was required to file disclosures with OITL and BSE. It is observed that Mr Ramnarayan has filed disclosures with OITL but failed to file requisite disclosures with BSE pertaining to 9,68,792 OITL shares sold by him in 6 tranches. Also, OITL failed to make requisite disclosures under regulation 13(6) of PIT Regulations to the exchange pertaining to 4,68,792 OITL shares sold by Mr Ramnarayan in 5 tranches despite receiving the relevant disclosures from him under regulation 13(4) 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 Mr Ramnarayan on April 19, 2010. (Compliance of the requirements of PIT Regulations by Mr. Ramnarayan and OITL is attached as **Annexure 4**).

18. In view of the above, it is alleged that Mr L. V. Ramnarayan had violated regulation 13(4) of PIT Regulations and OITL has violated regulation 13(6) of PIT Regulations read with regulation 12 of PIT, 2015.

19. Mr L. V. Ramnarayan and OITL are, therefore, called upon to show cause as to why an inquiry should not be held against it and penalty be not imposed under section 15A(b) of SEBI Act for the alleged violations.

20. The relevant provisions of law are reproduced as under:

Relevant provisions of PFUTP Regulation:

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;

(g) entering into a transaction in securities without intention of performing it or without intention of change of ownership of such security;

Relevant provisions of PIT Regulations, 1992:

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

(4) Any person who is a director or officer of a listed company, shall disclose to the company and the stock exchange where the securities are listed in Form D, the total number of shares or voting rights held and change in shareholding or voting rights, if there has been a change in such holdings of such person and his dependents (as defined by the company) from the last disclosure made under sub-regulation (2) or under this subregulation, and the change exceeds Rs. 5 lakh in value or 25,000 shares or 1% of total shareholding or voting rights, whichever is lower.

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 (l), (2), (2A), (3), (4) and (4A)] in the respective formats specified in Schedule III.

Relevant provisions of PIT, 2015

Repeal and Savings.

12. (1) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 are hereby repealed.

(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;

(3) After the repeal of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, any reference thereto in any other regulations made, guidelines or circulars issued thereunder by the Board shall be deemed to be a reference to the corresponding provisions of these regulations.

Relevant provisions of SEBI Act:

Penalty for failure to furnish information, return, etc.

15A. *If any person, who is required under this Act or any rules or regulations made there under,—*

(b) to file any return or furnish any information, books or other documents within the time specified therefore in the regulations, fails to file return or furnish the same within the time specified therefore in the regulations, he shall be liable to a penalty which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees;

Penalty for fraudulent and unfair trade practices.

15HA. *If any person indulges in fraudulent and unfair trade practices relating to securities, he shall be liable to a penalty of twenty-five crore rupees or three times the amount of profits made out of such practices, whichever is higher.*

21. Your reply, if any, should reach the undersigned, at the address given below as well as through email at "**sahil@sebi.gov.in**" in MS Word/ MS Excel Format, within 14 days from the date of the receipt of this notice, failing which it shall be presumed

that they have no reply to submit and the matter would be further proceeded ex – parte. You may also indicate whether you desire a personal hearing in the matter.

Securities and Exchange Board of India

SEBI Bhavan, C4-A, 'G' Block,

Bandra Kurla Complex, Bandra (East)

Mumbai – 400 051

22. Noticee is advised to provide copy of Noticee PAN and email id and also to keep the undersigned informed about the change in Noticee correspondence address, if any, till the proceedings are complete.

Sahil Malik
Adjudicating Officer

Annexures:

1. Copy of communication of appointment of AO
2. Details of exchange trades
3. Details of synchronized trades
4. Compliance of the requirements of PIT Regulations by Mr. Ramnarayan and OITL