BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OFINDIA

ADJUDICATION ORDER NO. EAD-7/BD/NR/2019-20/7164

UNDER SECTION 23I OF SECURITIES CONTRACTS (REGULATION) ACT, 1956 AND SECTION15I OF SECURITIES AND EXCHANGE BOARD OF INDIA ACT,1992 READ WITH RULE 5 OF SECURITIES CONTRACTS (REGULATION) (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES) RULES, 2005 AND RULE 5 OF SEBI (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES BY) RULES,1995.

In respect of

Camson Bio Technologies Ltd.,
(PAN: AAACC5909K)

Address -1
Survey No. 132, Madhure Hobli
Madagondanahalli, Doddaballapur
Bengaluru – 561204.

Address-2
C-7, 7th Floor, Corporate Block
Golden Enclave, Old Airport Road
Bengaluru – 560017.

In the matter of Camson Bio Technologies Ltd.,

BACKGROUND

1. Securities and Exchange Board of India (hereinafter referred to as "SEBI") conducted an investigation in the scrip of Camson Bio Technologies Ltd., *(hereinafter referred to as "Camson" / "Company" / "Noticee")* inter-alia to ascertain any possible violation of the provisions of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and also to examine the disclosures made by the Company with respect to the shareholding of its promoters, during the period January 1, 2008 to June 30, 2013 *(hereinafter referred to as ("Investigation Period" / "IP").*

2. The investigation revealed that the Company was frequently changing the entities in the category of promoters. It was observed that in the process of categorizing the entities as promoters to non-promoters, the Company played a

fraud by reporting false shareholding pattern for more than five years during the period March 2008 to September 2013. Thus, the investigation concluded that the Noticee by filing wrong and misleading information had violated the provisions of Clause 35 of Listing Agreement read with Section 21 of Securities Contracts (Regulation) Act**,** 1956 *(hereinafter referred to as "SCRA"),* and Regulations 3(a), (b), (c), (d), 4(1), 4(2) (f) and (k)of SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 *(hereinafter referred to as "SEBI (PFUTP) Regulations")* read with Section 12 A (a), (b) (c) of SEBI Act, 1992.

APPOINTMENT OF ADJUDICATING OFFICER

3. Based on the findings of the investigation, SEBI initiated Adjudication proceedings against the Noticee and appointed Ms. Rachna Anand as an Adjudicating Officer vide Order dated January 17, 2017, under Sub-section (1) of Section 23-I of SCRA and Rule 3 of Securities Contracts (Regulation) (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 2005 *(hereinafter referred to as **"SCR Adjudication Rules")*** and under Section 19 read with Sub-section (1) of Section 15-I of the SEBI Act, 1992 and Rule 3 of the SEBI (Procedure for Holding Inquiry and imposing penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as ***"SEBI Adjudication Rules"***) to inquire into and adjudge the alleged violations committed by the Noticee, under Section 23E of SCRA and Section 15HA of SEBI Act respectively.

4. Pursuant to internal restructuring, Shri Jeevan Sonparote was appointed as the Adjudicating Officer vide Order dated May 10, 2018. Consequent upon change in the Adjudicating Officer, the undersigned has been appointed as the Adjudicating Officer vide Order dated September 26, 2019.

SHOW CAUSE NOTICE, REPLY AND HEARING

5. A Show Cause Notice (hereinafter referred to as "SCN") bearing ref. no. EAD/EAO/RA/CB/22709/2017 dated September 19, 2017 was issued by the

erstwhile Adjudicating Officer to the Noticee under Rule 4 of SCR Adjudication Rules and SEBI Adjudication Rules to show cause as to why an inquiry be not held against it in terms of Rule 4 of the SCR Adjudication Rules & SEBI Adjudication Rules and penalty be not imposed under the relevant provisions Section 23E of SCRA & Section 15H of SEBI Act respectively for the violations alleged to have been committed by it.

6. The SCN was sent to the Noticee's address at Doddballapur by Speed Post, returned undelivered by India Post with the remarks "refused". Subsequently, in the interest of natural justice and in terms of Rule 4 (3) of SCR Adjudication Rules and SEBI Adjudication Rules, vide notice of hearing dated December 13, 2017, the Noticee was granted an opportunity of personal hearing on September 24, 2018. I note that the notice dated December 13, 2017 sent by Speed Post to the Noticee's address at Doddaballapur returned undelivered with the remarks "*refused".* Thereafter, vide notice of hearing dated April 3, 2019, the Noticee was once again granted one more opportunity of hearing in the matter on April 23, 2019. However, the aforesaid hearing notice which was sent to the Noticee's address at Old Airport Road, Bengaluru, could not be served since the Noticee left the premises. I note that the SCNs along with Hearing Notices were also posted on SEBI website (www.sebi.gov.in) under the head Enforcement->Unserved Summons/Notices. I note that the Noticee neither furnished its reply to the charges alleged in the SCN nor appear for personal hearing.

7. Thereafter, in terms of Rule 7 (d) of SCR Adjudication Rules and SEBI Adjudication Rules, a notice was published in the Bengaluru edition of Deccan Herald newspaper (English), Rajasthan Patrika newspaper(Hindi) and Vijaya Karnataka newspaper (Kannada) on April 27, 2019. Vide the aforesaid Notice, the Noticee was given a timeframe of 14 days to submit their reply, if any, to the charges alleged in the SCN, besides being provided with an opportunity of personal hearing on May 22, 2019. I note that no reply was furnished and no appearance was made by the Noticee on the scheduled date of hearing.

8. At this juncture, it is relevant to refer to the observation of the Hon'ble SAT in the matter of Dave Harihar Kiritbhai v. Securities and Exchange Board of India

(Appeal No. 181 of 2014 dated December 19, 2014), wherein, it was observed that, *"…further, it is being increasingly observed by the Tribunal that many persons/entities do not appear before SEBI (Respondent) to submit reply to SCN or, even worse, do not accept notices/letters of Respondent and when orders are passed ex-parte by Respondent, appear before Tribunal in appeal and claim no receipt of notice and do not appear and/or submit reply to SCN but claim violation of principles of natural justice due to not being provided opportunity to reply to SCN or not provided personal hearing. This leads to unnecessary and avoidable loss of time and resources on part of all concerned and should be eschewed, to say the least. Hence, this case is being decided on basis of material before this Tribunal…"*

9. In the instant case, I am satisfied that sufficient attempts were made to deliver the SCN and Hearing Notice by Speed Post to the Noticee and the Noticee and the Noticee refused to accept the Notices. I also note that the SCN and Hearing Noticee were uploaded on SEBI website for the information of the Noticee and a notice was also issued in three newspapers viz., English national daily, Hindi daily and a Vernacular daily, yet the Noticee did not file its reply and also did not attend the personal hearing. Therefore, I am convinced that due process has been followed in serving the SCN and Hearing Notice, wherein the Noticee was given sufficient opportunities to file its reply and to appear for hearing, yet the Noticee chooses not to comply with the same. The principle of natural justice has been followed in the matter, as enough opportunities were provided to the Noticees to reply to the SCN and appear for hearing. Therefore, I am inclined to decide the matter ex-parte taking into account the evidence / material available on record.

10. I note that the settlement application filed by the Noticee to settle the instant proceedings was rejected by a Panel of Whole Time Members, SEBI, which was communicated to me on October 24, 2019. Further, I am of the view that I don't see any material change in the proceedings except transfer of case to the undersigned and that due process has already been followed for delivery of SCN and hearing notice, yet the Noticee did not respond. Therefore, I am proceeding further in the matter without drawing a reference of my appointment as

Adjudicating Officer to the Noticee, which does not cause any prejudice to the Noticee.

CONSIDERATION OF ISSUES

11. I have taken into consideration the facts and material available on record. I note that the Noticee has been alleged of have committed a fraud by filing wrong / misleading information with regard to shareholding pattern of its promoters with Stock Exchange for more than 5 years and thus alleged to have violated the provisions of Clause 35 of Listing Agreement read with Section 21 of SCRA, and Regulations 3(a), (b), (c), (d), 4(1), 4(2) (f) and (k)of SEBI (PFUTP) Regulations read with Section 12 A (a), (b) (c) of SEBI Act, 1992. After perusal of the material available on record, I have the following issues for consideration, viz.,

    I. *Whether the Noticee has violated the provisions of Clause 35 of Listing Agreement read with Section 21 of SCRA and Regulations 3(a), (b), (c), (d), 4(1), 4(2) (f) and (k)of SEBI (PFUTP) Regulations read with Section 12 A (a), (b) (c) of SEBI Act, 1992.?*

    II. *Does the violation, if any, attract monetary penalty under Section 23E of SCRA and Section 15HA of SEBI Act.?*

    III. *If so, what would be the monetary penalty that can be imposed taking into consideration the factors mentioned in Section 23J of SCRA and Section 15J of SEBI Act?*

12. I have taken into consideration the facts and material available on record in respect of the Noticees and the same are dealt hereunder as per the nature of violations.

    ISSUE I: Whether the Noticee has violated the provisions of Clause 35 of Listing Agreement read with Section 21 of SCRA and Regulations 3(a), (b), (c), (d), 4(1), 4(2) (f) and (k)of SEBI (PFUTP) Regulations read with Section 12 A (a), (b) (c) of SEBI Act, 1992.?

13. Before moving forward, it is pertinent to refer to the relevant provisions of Listing Agreement, SEBI (PFUTP) Regulations and SEBI Act alleged to have been violated by the Noticee, which reads as under:

Clause 35 of Listing Agreement

35. "The company agrees to file with the exchange the following details, separately for each class of equity shares/security in the formats specified in this clause, in compliance with the following timelines, namely: -
a. One day prior to listing of its securities on the stock exchanges.
b. On a quarterly basis, within 21 days from the end of each quarter.
c. Within 10 days of any capital restructuring of the company resulting in a change exceeding +/-2% of the total paid-up share capital"
(I)(a) Statement showing Shareholding Pattern
(I)(b) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Promoter and Promoter Group"
(I)(c)(i) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Public" and holding more than 1% of the total number of shares
(I)(c)(ii) Statement showing holding of securities (including shares, warrants, convertible securities) of persons (together with PAC) belonging to the category "Public" and holding more than 5% of the total number of shares of the company

Regulation 3 of SEBI (PFUTP) Regulations: - Prohibition of certain dealings in securities

3. 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 thereunder;

(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 thereunder.

Regulation 4 of SEBI (PFUTP) Regulations: - 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:

(f) publishing or causing to publish or reporting or causing to report by a person dealing in securities any information which is not true or which he does not believe to be true prior to or in the course of dealing in securities;
(k) an advertisement that is misleading or that contains information in a distorted manner and which may influence the decision of the investors;

Section 12 of SEBI Act - Prohibition of manipulative and deceptive devices, insider trading and substantial acquisition of securities or control

No person shall directly or indirectly
(a) use or employ, in connection with the issue, purchase or sale of any securities listed or proposed to be listed on a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of this Act or the rules or the regulations made thereunder;
(b) employ any device, scheme or artifice to defraud in connection with issue or dealing in securities which are listed or proposed to be listed on a recognised stock exchange;
(c) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person, in connection with the issue, dealing in securities which are listed or proposed to be listed on a recognised stock exchange, in contravention of the provisions of this Act or the rules or the regulations made thereunder;

14. The shares of the Company were listed at Bangalore Stock Exchange (BgSe). Pursuant to de-recognition of BgSE, the shares of the Company were listed at The Bombay Stock Exchange Ltd., (BSE). The Board of Directors of the Company from the financial year ended period 2007-08 to 2013-14 are as under:

Sl. No.	Name of the Director	Designation	DIN
1.	Mr. Dhirendra Kumar	Executive (Managing Director)	00301372
2.	Mr. Veerendra Kumar Singh (w.e.f. 23/05/2007)	Non-Executive	00296486
3.	Mr. Akbal Narayan Singh	Non-Executive	00296396
4.	Mr. B. C. Madappa	Non – Executive/Independent	00296426
5.	Mr. Krishnaswamy Ramaswamy	Non–Executive/ Independent	00296319
6.	Dr. Anurudh Kumar Singh (w.e.f. 28/11/2008)	Non-Executive/Independent	02539344
7.	Mr. Gulshan Kumar Khanna (w.e.f 10/08/2010)	Non-Executive/Independent	00323089
8.	Mr. Sanjay Agarwal (w.e.f. 30/10/10 to 14/11/2010)	Non-Executive	01072363

(Source: Annual Reports 2008-09 to 2013-14 and MCA website)

15. The shareholding pattern of the Company as submitted by the Company to BgSE and BSE for the quarter ended from December 2007 to September 2013 is as under:

	Promoters			Non-promoters			
Period ended	No. of shareholders	No. of shares	%age of share-holding	No. of shareholders	No. of shares	%age of share-holding	Total no. of shares issued
Decmeber-07	7	38,89,600	39.69	4,760	59,10,400	60.31	98,00,000
March- 08	5	19,50,400	19.90	3,778	78,49,600	80.10	98,00,000
June- 08	5	19,50,400	19.90	3,878	78,49,600	80.10	98,00,000
September-08	5	19,50,400	19.90	3,978	78,49,600	80.10	98,00,000
December-08	5	19,50,400	19.90	3,992	78,49,600	80.10	98,00,000
March- 09	5	25,24,030	18.42	4,076	1,11,75,970	81.58	1,37,00,000
June-09	5	25,24,030	18.42	4,290	1,11,75,970	81.57	1,37,00,000
September- 09	5	25,54,130	18.64	4,392	1,11,45,870	81.36	1,37,00,000
December-09	5	25,54,130	15.91	4,305	1,34,95,870	84.09	1,60,50,000
March -10	7	50,95,070	31.74	5,013	1,09,54,930	68.26	1,60,50,000
June-10	7	50,15,070	31.25	6,115	1,10,34,930	68.75	1,60,50,000
September -10	7	49,55,070	30.87	6,887	1,10,94,930	69.13	1,60,50,000
December-10	7	49,88,670	31.08	8,297	1,10,61,330	68.92	1,60,50,000
March-11	7	49,88,670	31.08	8,507	1,10,61,330	68.92	1,60,50,000
June-11	8	66,60,306	36.74	9,412	1,14,69,694	63.26	1,81,30,000
September -11	8	66,60,306	36.74	9,880	1,14,69,694	63.26	1,81,30,000
December-11	8	57,05,307	31.47	10,137	1,24,24,693	68.53	1,81,30,000
March -12	8	56,58,284	31.21	10,263	1,24,71,716	68.79	1,81,30,000
June-12	8	57,21,384	31.56	10,198	1,24,08,616	68.44	1,81,30,000
September -12	8	57,21,384	31.56	9,937	1,24,08,616	68.44	1,81,30,000
December-12	8	57,21,384	31.56	9,557	1,24,08,616	68.44	1,81,30,000
March-13	9	59,36,384	32.74	9,103	1,21,93,616	67.26	1,81,30,000
June-13	9	59,36,384	32.74	9,131	1,21,93,616	67.26	1,81,30,000
September-13	7	66,38,600	26.32	9,011	1,85,86,913	73.68	252,25,513

16. I note from the above table that there was a change in the total number of issued shares for the quarters ended March 2009, December 2009, June 2011, and September 2013 onwards, which was on account of issuance of new shares. The details of allotment of new shares to the allottees during the period of investigation period is as under:

Date of Issue	No. of shares Issued	Shares issued to Promoters	Share issued to Non-Promoters	Remarks
January 24, 2009	39,00,000	6,83,630	32,16,370	39 lakhs shares were allotted on conversion of warrants to 18 entities *viz*..promoter entity namely Karan Singh (683630) and non-promoter entities namely Sandhya Madappa (5000), Sudha K (500000), Sangeeta Kshetry (669600), Nelson James (10000), Veerendra Kumar Singh (20000), S R Mate (10000), Riyad Ahmed (10000), Sheela Vk (15000), Ram Yadav (600000), Shivanand Singh (683630), Sanjay Gorh (5000), Pawan Kumar Rana (5000), Yogesh Singh (5000), Shudhanshu Pandey (2000), Jamuna Prasad (240940), Krishnaswamy Ramaswamy (100000) and Veerendra Kumar Singh (335200).
October 26, 2009	23,50,000	-NIL-	23,50,000	Preferential allotment of 23.50 lakhs shares to Mr. Ramesh Chand Garg in the non-promoter category.

Date of Issue	No. of shares Issued	Shares issued to Promoters	Share issued to Non-Promoters	Remarks
March 14, 2011	20,80,000	19,80,000	1,00,000	20.80 lakhs shares were allotted on conversion of warrants to 3 entities *viz.* promoter entities namely Mr. Dhirendra Kumar (990000 Shares), M/s. Shashtika Resorts (990000 Shares) and to non-promoter entity namely Mrs. Mekala K (100000 Shares). *It is noted that though shares were allotted on March 14, 2011, the increase in total number of issued shares was not shown for the quarter ended March 2011 and shown from the quarter ended June 2011.
June 13, 2013	41,95,513	-NIL-	41,95,513	Preferential allotment of 41.95 lakhs shares to M/s. Bio Harvest Pte Ltd. in the non-promoter category. *It is noted that though shares were allotted on June 13, 2013, the increase in total number of issued shares was not shown for the quarter ended June 13, 2013 and shown from the quarter ended September 2013.
July 24, 2013	29,00,000	18,00,000	11,00,000	29 lakhs shares were allotted on conversion of warrants to 2 entities *viz.* promoter namely M/s. Shashtika Resorts (18,00,000 Shares) and to non-promoter M/s. Silver Cross Marketing P. Ltd (11,00,000 Shares).

17. The details of promoters' shareholding for the quarter ended December 2007 to the quarter ended September 2013 as submitted by the Company to BgSE & BSE is tabulated hereunder:

Name of Promoter	Dec-07		Mar-08		Jun-08		Sep-08		Dec-08	
	No. of shares	% of TNS	No. of shares	% of TNS	No. of shares	% of TNS	No. of shares	% of TNS	No. of shares	% of TNS
Dhirendra Kumar	6,96,480	7.11	8,96,480	9.15	8,96,480	9.15	8,96,480	9.15	8,96,480	9.15
Veerendra Kumar	1,10,000	1.12	1,10,000	1.12	1,10,000	1.12	1,10,000	1.12	1,10,000	1.12
Akbal Narayan Singh	1,18,500	1.21	1,18,500	1.21	1,18,500	1.21	1,18,500	1.21	1,18,500	1.21
Alka Singh	32,710	0.33	32,710	0.33	32,710	0.33	32,710	0.33	32,710	0.33
Geeta Singh	7,92,710	8.09	7,92,710	8.09	7,92,710	8.09	7,92,710	8.09	7,92,710	8.09
Sanatan Herbal & Naturals Ltd	9,64,500	9.84	Not shown as promoter							
Camson Farm Produce Pvt Ltd	11,74,700	11.99	Not shown as promoter							
Total	**38,89,600**		**19,50,400**		**19,50,400**		**19,50,400**		**19,50,400**	
Total no. of shares (TNS)	**98,00,000**	**39.69**	**98,00,000**	**19.90**	**98,00,000**	**19.90**	**98,00,000**	**19.90**	**98,00,000**	**19.90**

Name of Promoter	Mar-09		Jun-09		Sep-09		Dec-09	
	No. of shares	% of TNS	No. of shares	% of TNS	No. of shares	% of TNS	No. of shares	% of TNS
Dhirendra Kumar	8,96,480	6.54	8,96,480	6.54	9,26,580	6.76	9,26,580	5.77
Veerendra Kumar	Not shown as promoter							
Akbal Narayan Singh	1,18,500	0.86	1,18,500	0.86	1,18,500	0.86	1,18,500	0.74
Alka Singh	32,710	0.24	32,710	0.24	32,710	0.24	32,710	0.20
Geeta Singh	7,92,710	5.79	7,92,710	5.79	7,92,710	5.79	7,92,710	4.94
Karan Singh	6,83,630	4.99	6,83,630	4.99	6,83,630	4.99	6,83,630	4.26
Sanatan Herbal & Naturals Ltd	Not shown as promoter							
Camson Farm Produce Pvt Ltd	Not shown as promoter							
Total	**25,24,030**		**25,24,030**		**25,54,130**		**25,54,130**	
Total no. of shares (TNS)	**1,37,00,000**	**18.42**	**1,37,00,000**	**18.42**	**1,37,00,000**	**18.64**	**1,60,50,000**	**15.91**

Name of Promoter	Mar-10		Jun-10		Sep-10		Dec-10	
	No. of shares	% of TNS	No. of shares	% of TNS	No. of shares	% of TNS	No. of shares	% of TNS
Dhirendra Kumar	9,26,580	5.77	9,26,580	5.77	9,26,580	5.77	9,26,580	5.77
Veerendra Kumar	Not shown as promoter							
Akbal Narayan Singh	1,18,500	0.74	1,18,500	0.74	1,18,500	0.74	1,18,500	0.74
Alka Singh	32,710	0.20	32,710	0.20	32,710	0.20	32,710	0.20
Geeta Singh	7,92,710	4.94	7,92,710	4.94	7,92,710	4.94	7,92,710	4.94
Karan Singh	6,83,630	4.26	6,83,630	4.26	6,83,630	4.26	6,83,630	4.26
Sanatan Herbal & Naturals Ltd	5,55,700	3.46	4,75,700	2.96	4,75,700	2.96	4,49,300	2.80
Camson Farm Produce P.Ltd	19,85,240	12.37	19,85,240	12.37	19,85,240	12.37	19,85,240	12.37
Total	**50,95,070**	**31.74**	**50,15,070**	**31.25**	**49,55,070**	**31.25**	**49,88,670**	**31.08**
Total no. of shares (TNS)	**1,60,50,000**		**1,60,50,000**		**1,60,50,000**		**1,60,50,000**	

Name of Promoter	Mar-11		Jun-11		Sep-11		Dec-11	
	No. of shares	% of TNS	No. of shares	% of TNS	No. of shares	% of TNS	No. of shares	% of TNS
Dhirendra Kumar	9,26,580	5.77	19,16,580	10.57	19,16,580	10.57	19,16,580	10.57
Veerendra Kumar	Not shown as promoter							
Akbal Narayan Singh	1,18,500	0.74	1,18,500	0.65	1,18,500	0.65	1,18,500	0.65
Alka Singh	32,710	0.20	32,710	0.18	32,710	0.18	32,710	0.18
Geeta Singh	7,92,710	4.94	7,92,710	4.37	7,92,710	4.37	7,92,710	4.37
Karan Singh	6,83,630	4.26	6,83,630	3.77	6,83,630	3.77	6,83,630	3.77
Sanan Herbal & Naturals Ltd	4,49,300	2.80	1,40,936	0.78	1,40,936	0.78	36,691	0.20
Camson Farm Produce P. Ltd	19,85,240	12.37	19,85,240	10.95	19,85,240	10.95	11,34,486	6.26
Shashtika Health Resorts & Spa. P. Ltd			9,90,000	5.46	9,90,000	5.46	9,90,000	5.46
Total	**49,88,670**	**31.08**	**66,60,306**	**36.74**	**66,60,306**	**36.74**	**57,05,307**	
Total no. of shares (TNS)	**1,60,50,000**		**1,81,30,000**		**1,81,30,000**		**1,81,30,000**	**31.47**

Name of Promoter	Mar-12		Jun-12		Sep-12		Dec-12	
	No. of shares	% of TNS	No. of shares	% of TNS	No. of shares	% of TNS	No. of shares	% of TNS
Dhirendra Kumar	19,16,580	10.57	19,39,680	10.70	19,39,680	10.70	19,39,680	10.70
Veerendra Kumar	Not shown as promoter							
Akbal Narayan Singh	1,18,500	0.65	1,18,500	0.65	1,18,500	0.65	1,18,500	0.65
Alka Singh	32,710	0.18	32,710	0.18	32,710	0.18	32,710	0.18

Geeta Singh	7,92,710	4.37	7,92,710	4.37	7,92,710	4.37	7,92,710	4.37
Karan Singh	7,10,000	3.92	7,50,000	4.14	7,50,000	4.14	7,50,000	4.14
Sanatan Herbal & Naturals Ltd	36,691	0.20	36,691	0.20	36,691	0.20	36,691	0.20
Camson Farm Produce P. Ltd	10,61,093	5.85	10,61,093	5.85	10,61,093	5.85	10,61,093	5.85
Shashtika Health Resorts & Spa P. Ltd	9,90,000	5.46	9,90,000	5.46	9,90,000	5.46	9,90,000	5.46
Total	**56,58,284**	**31.21**	**57,21,384**	**31.56**	**57,21,384**	**31.56**	**57,21,384**	**31.56**
Total no. of shares (TNS)	**1,81,30,000**		**1,81,30,000**		**1,81,30,000**		**1,81,30,000**	

Name of Promoter	**Mar-13**		**Jun-13**		**Sep-13**	
	No. of shares	**% of TNS**	**No. of shares**	**% of TNS**	**No. of shares**	**% of TNS**
Dhirendra Kumar	19,44,680	10.73	19,44,680	10.73	19,44,680	7.71
Veerendra Kumar	1,10,000	0.61	1,10,000	0.61	1,10,000	0.44
Akbal Narayan Singh	1,18,500	0.65	1,18,500	0.65	1,18,500	0.47
Alka Singh	32,710	0.18	32,710	0.18	32,710	0.13
Geeta Singh	7,92,710	4.37	7,92,710	4.37	7,92,710	3.14
Karan Singh	8,50,000	4.69	8,50,000	4.69	8,50,000	3.37
Sanatan Herbal & Naturals Ltd	36,691	0.20	36,691	0.20	Not shown as promoter	
Camson Farm Produce P. Ltd	10,61,093	5.85	10,61,093	5.85	Not shown as promoter	
Shashtika Health Resorts & Spa P. Ltd	9,90,000	5.46	9,90,000	5.46	27,90,000	11.06
Total	**59,36,384**	**32.74**	**59,36,384**	**32.74**	**66,38,600**	**26.32**
Total no. of shares (TNS)	**1,81,30,000**		**1,81,30,000**		**2,52,25,513**	
Annexure placed at	**2.22**		**2.23**		**2.24**	

18. I note from the above tables that Camson Farm Produce P Ltd, and Sanatan Herbal & Naturals Ltd., were shown as promoters for the quarter ended December 2007 and as non- promoters for the quarters ended March 2008 to December 2009. Further, these two entities were shown as promoters for the quarters ended March 2010 to June 2013 and not shown as promoters for the quarter ended September 2013. I also note that Mr. Veerendra Kumar was shown as promoter for the quarters ended December 2007 to December 2008, not shown as promoter for the quarters ended March 2009 to December 2012 and again shown as promoter from the quarter ended March 2013.

19. I also note that the promoters' shareholding had increased from 15.91% for the quarter ended December 2009 to 31.74% for the quarter ended March 2010 due to inclusion of two entities namely Camson Farm Produce P. Ltd. (holding 19,85,240 shares-12.37%) {hereinafter referred to as *"Camson Farm"*}and Sanatan Herbal & Natural Ltd. (holding 5,55,700 shares - 3.46%) {hereinafter referred to as *"Sanatan"}* as promoters, which were shown in public category prior to the quarter ended March 2010, by the Company.

20. With regard to aforesaid increase in promoter's shareholding, I note that vide letter dated September 2, 2013 SEBI sought explanation from the Company as to why the provisions of Regulation 11(1) of SEBI (SAST) Regulations, 1997 will not be triggered. The Company vide its letter dated October 7, 2013 submitted that "*that there was no acquisition of equity shares / voting rights by the promoters during the period December 2009 to March 2010 and thus Regulation 11(1) of SEBI (SAST) Regulations was not violated. Further, the company stated that the increase in shareholding was due to inconsistencies in reporting about constituent of promoter group and provided the revised shareholding pattern for the quarters ended December 2009 and March 2010 wherein Camson Farm and Sanatan were not shown as promoters".*

21. Thereafter, I note that SEBI vide email dated January 01, 2014 requested the Company to provide the following information:

    i. *Reasons for the incorrect reporting of promoter group information.*
    ii. *Confirm, if any, steps have been taken to rectify the same.*
    iii. *Confirm, if the correct shareholding pattern has been submitted to the stock exchanges.*

22. I note that the Company vide email dated January 20, 2014 replied that *"it is reporting the correct data of promoter group information to the stock exchanges and provided the data submitted to the stock exchanges for quarters September 30, 2013 and December 30, 2013"*. Further, I note that the Company vide its email dated February 3, 2014 had stated that *"Inconsistent reporting of figures were made after March 31, 2010. Correct reporting is being made after*

September 30, 2013 and necessary changes are being reported to the stock exchange."

23. I note from the above that the Company had admittedly filed wrong disclosure of shareholding of promoters for the quarters ended March 2010 to June 2013 by including entities namely Camson Farm and Sanatan as promoters. Further, I also note that from the Company's reply dated January 20, 2014 that the Company had not provided any clarification to the Stock Exchange with regard to wrong disclosures of promoter shareholding by it since March 2010 till June 2013.

24. During the course of investigation, vide email dated February 23, 2016, the Investigating Authority had sought the details of shareholding submitted by the Company to Stock Exchanges under clause 35 of the listing agreement during the period of investigation, from BgSE and BSE.

25. I note from the records that BgSE and BSE vide letter / email dated July 1, 2016 and February 25, 2016 had submitted the details of shareholding pattern filed by the Company with (a) BgSE for the quarters ended December 2007, June 2008 to December 2008, September 2009 to June 2011, December 2011 to March 2012, September 2012 to December 2012 and September 2013 and (b) with BSE for the period March 2008 to September 2013, respectively.

26. In this connection, I deem it appropriate to draw refer to the term promoter/promoter group as prescribed in SEBI (SAST) Regulations, 1997, the provisions of which are reproduced hereunder for the sake of understanding.

*I. Regulation 2(h) of **Takeovers Regulations, 1997** has defined promoter which inter-alia includes the following:*

*'**Promoter'** means-*

a) any person who is in control of the target company;

b) any person named as promoter in any offer document of the target company or any shareholding pattern filed by the target company with the stock exchanges pursuant to the Listing Agreement, whichever is later;

*and **includes** any person belonging to the **promoter group** as mentioned in Explanation I:*

Provided that a director or officer of the target company or any other person shall not be a promoter, if he is acting as such merely in his professional capacity.

Explanation I.— For the purpose of this clause, —promoter group shall include:

a) in case promoter is a body corporate—

(i) a subsidiary or holding company of that body corporate;

(ii) any company in which the promoter holds 10 % or more of the equity capital or which holds 10 % or more of the equity capital of the promoter;

(iii) any company in which a group of individuals or companies or combinations thereof who holds 20 % or more of the equity capital in that company also holds 20 % or more of the equity capital of the target company; and

b) in case promoter is an individual:

(i) the spouse of that person, or any parent, brother, sister or child of that person or of his spouse;

(ii) any company in which 10 % or more of the share capital is held by the promoter or an immediate relative of the promoter or a firm or HUF in which the promoter or any one or more of his immediate relative is a member;

(iii) any company in which a company specified in (i) above, holds 10 % or more, of the share capital; and

(iv) any HUF or firm in which the aggregate share of the promoter and his immediate relatives is equal to or more than 10 per cent of the total.

*II. Regulation 2(s) of **Takeovers Regulations, 2011** has defined **promoter** which reads as follows:*

"Promoter" has the same meaning as in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ('ICDR Regulations') and includes a member of the promoter group;

*Regulation 2 (za) of **ICDR regulations, 2009** has defined the term **Promoter** which inter-alia includes the following:*

promoter" includes:

(i) the person or persons who are in control of the issuer;

(ii) the person or persons who are instrumental in the formulation of a plan or programme pursuant to which specified securities are offered to public;

(iii) the person or persons named in the offer document as promoters:

*Regulation 2 (zb) of **ICDR regulations, 2009** has defined the term **Promoter group** which inter-alia includes the following:*

***promoter group**" includes:*

(iv) the promoter;

(v) an immediate relative of the promoter (i.e., any spouse of that person, or any parent, brother, sister or child of the person or of the spouse);

(vi) in case the promoter is an individual:
anybody corporate in which ten per cent. or more of the equity share capital is held by the promoter or an immediate relative of the promoter or a firm or Hindu Undivided Family in which the promoter or any one or more of his immediate relative is a member;

27. From the quarterly shareholdings filed by the company with BgSE/BSE during the Investigation period, I note that Mr. Dhirendra Kumar and Ms. Alka Singh were promoters of the Company. I also note that Ms. Geeta Singh is wife and Mr. Karan Singh is son of Mr. Dhirendra Kumar, the Managing Director of the Company (i.e. immediate relatives). Further, I also note form the Annual returns

of Sanatan and Camson Farm for the years ended 2009 to 2012 filed with Ministry of Corporate Affairs that Ms. Geeta Singh and Mr. Karan Singh are collectively holding 100% of shareholding of the aforesaid two companies. Since 100% of total shareholding of Santan Herbal and Camson Farm is collectively held by Ms. Geeta Singh and Mr. Karan Singh (immediate relatives of Mr. Dhirendra Kumar, promoter cum Managing director), Sanatan and Camson Farm will fall under the category of promoter/promoter group under SEBI (SAST) Regulations, 1997. Further, I note that Ms. Alka Singh is wife of Mr. Veerendra Kumar Singh and hence, Mr. Veerendra Kumar Singh will fall under the category of promoter/promoter group under SEBI (SAST) Regulations, 1997. However, I note that Mr. Veerendra Kumar (Director) was shown as promoter till quarter ended December 2008 and not shown as promoter from the quarter ended March 2009 to December 2012 and once again shown as promoter from the quarter ended March 2013.

28. From the plain reading of the definition of promoter / promoter group prescribed under SEBI (SAST) Regulations as mentioned in para 26 above, I note that Mr. Veerendra Kumar Singh, Sanatan Herbal and Camson Farm falls under the category of promoter/promoter group. However, these three entities have not been consistently shown as promoters/part of promoter group for the period March 2008 to September 2013 by the Company in its shareholding pattern filed with BgSE/BSE.

29. In this regard I draw inference to the corporate action undertaken by the Company on January 24, 2009, wherein the Company upon conversion of warrants had allotted 39,00,000 shares to Promoters (6,83,630 shares) and Non-promoters (32,16,370 shares) {*as per Company*}. The details of shares allotted by the Company to the promoters and non-promoters are furnished hereunder:

Promoter category

Sl. No.	Name of the Entity	No., of shares allotted
1	Karan Singh	6,83,630

Non-Promoter category

Sl. No.	Name of the Entity	No., of shares allotted
1	Sandhya Madappa	5,000
2	Sudha K	5,00,000
3	Sangeeta Kshetry	6,69,600
4	Nelson James	10,000
5	Veerendra Kumar Singh	3,55,200
6	S R Mate	10,000
7	Riyad Ahmed	10,000
8	Sheela V K	15,000
9	Ram Yadav	6,00,000
10	Shivanand Singh	6,83,630
11	Sanjay Gorth	5,000
12	Pawan Kumar Rana	5,000
13	Yogesh Singh	5,000
14	Sudhanshu Pandey	2,000
15	Jamuna Prasad	2,40,940
16	Krishnaswamy Ramaswamy	1,00,000
	Total	**32,16,370**

30. I note from the above table that the Noticee by categorizing Veerendra Kumar Singh, Promoter of the Company (*who is the brother of the Managing Director of the Company viz., Dhirendra Kumar*), as non-promoter had allotted 3,55,200 shares.

31. Further, I note that Sanatan had acquired 9,25,200 shares 5,90,000 shares from Ram Yadav and 3,35,200 shares from Veerendra Kumar {i.e. net acquisition of 5,90,000 shares excluding the shares acquired from other promoter viz., Veerendra Kumar Singh} on July 16, 2009. It is to be distinctly noted here that the Company had allotted 6,00,000 shares to Ram Yadav under non-promoter category on January 24, 2009 upon conversion of warrants and Sanatan had acquired almost the same number of shares i.e., 5,90,000 shares from Ram Yadav on July 16, 2009.

32. I also note that Camson Farm had acquired 8,10,540 shares (5,69,600 shares from Sangeeta Kshetry and 2,40,940 shares from Jamuna Prasad on July 16, 2009. It is to be distinctly noted here that the Company had allotted 6,69,000 shares to Sangeeta Kshetry and 2,40,940 shares to Jamuna Prasad upon conversion of warrants and Camson had bought 5,69,600 shares and 2,40,940 shares respectively from these entities, on July 16, 2009.

33. In this connection, I deem it appropriate to refer to the certain provisions of SEBI (SAST) Regulations, 1997, which reads as under:

Regulation 2(b) of Takeover Regulations, 1997 has defined acquirer as follows:

***Acquirer** means any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights in the target company, or acquires or agrees to acquire control over the target company, either by himself or with any person acting in concert with the acquirer;*

*Regulation 2(1) (e) of Takeover Regulations, 1997 has defined '**persons acting in concert' ('PAC')** which inter-alia includes the following:*

1) persons who, for a common objective or purpose of substantial acquisition of shares or voting rights or gaining control over the target company, pursuant to an agreement or understanding (formal or informal), directly or indirectly co-operate by acquiring or agreeing to acquire shares or voting rights in the target company or control over the target company.

2) Without prejudice to the generality of this definition, the following persons will be deemed to be persons acting in concert with other persons in the same category, unless the contrary is established:

*(i) a company, its holding company, or subsidiary or such company or **company under the same management either individually or together with each other**;*

*(ii) **a company with any of its directors, or any person entrusted with the management of the funds of the company;***

*(iii) **directors of companies referred to in sub-clause (i) of clause (2) and their associates;***

*For the purposes of this clause —**associate** means, —*

(a) Any relative of that person within the meaning of section 6 of the Companies Act, 1956.

(b) Family trusts and Hindu undivided families.

*Meaning of "**relative**" as per Companies act, 1956:*

A person shall be deemed to be a relative of another if, and only if, -

(a) they are members of a Hindu undivided family; or

(b) they are husband and wife; or

(c) the one is related to the other in the manner indicated in Schedule IA.

List of relative as per Schedule IA of Companies Act, 1956 is as follows:

1	Father	8	Mother's mother	15	Daughter's son
2	Mother (including step-mother)	9	Mother's father	16	Daughter's son's wife
3	Son (including step-son)	10	Son's son	17	Daughter's daughter
4	Son's wife	11	Son's son's wife	18	Daughter's daughter's husband
5	Daughter (including step-daughter)	12	Son's daughter	19	Brother (including step-brother)
6	Father's father	13	Son's daughter's husband	20	Brother's wife
7	Father's mother	14	Daughter's husband	21	Sister (including step sister)
				22	Sister's husband

34. In view of the above, I note that the following persons are deemed to be Persons Acting in Concert (PAC) with each other in terms of Clause (2) of Regulation 2(1) (e) of SEBI (SAST) Regulations, 1997 during the Investigation period:

Sl. No.	Name of the promoter	Relationship
1	M/s. Sanatan	(1),(2) & (3) are under same management
2	M/s. Camson Farm	(1),(2) & (3) are under same management
3	M/s. Shashtika	(1),(2) & (3) are under same management
4	Ms. Geeta Singh	Director of (1), (2) & (3) during investigation period and wife of Managing Director of M/s. Camson Bio Technologies Ltd.
5	Mr. Karan Singh	Director of (1), (2) & (3) during investigation period and son of Managing director of M/s. Camson Bio Technologies Ltd.
6	Mr. Dhirendra Kumar	Husband of Ms. Geeta Singh and Managing director of M/s. Camson Bio Technologies Ltd.
7	Mr. Veerendra Kumar	Brother of Mr. Dhirendra Kumar
8	Ms. Alka Singh	Wife of Mr, Veerendra Kumar
9	Mr. Akbal Narayan Singh	Father of Mr. Dhirendra Kumar

35. I have perused the the demat statements of the Promoters and also the replies furnished by the Registrar and Share Transfer Agent to the Company viz., Integrated Enterprises (India) Ltd., vide letters dated March 13, 2015 May 13, 2016, May 18, 2016 and July 12, 2016 and note the change in shareholding of acquirers along with PAC before/after acquisition of shares, which is as follows:

Names of the entities	Acquirer/ PAC	Pre holding (As on 15/07/09)		Acquired on 16/07/09		Post-Acquisition holding (i.e. 16/07/09)		Change in holding	
		No. of shares	% of TNS	No. of shares	% of TNS	No. of shares	% of TNS	No. of shares	% of TNS
Dhirendra Kumar	PAC	9,26,580	6.76			9,26,580	6.76	0	0.00
Veerendra Kumar	PAC	4,45,200	3.25	-3,35,200	-2.45	1,10,000	0.80	-3,35,200	-2.45
Akbal Narayan Singh	PAC	1,18,500	0.86			1,18,500	0.86	0	0.00
Alka Singh	PAC	32,710	0.24			32,710	0.24	0	0.00
Geeta Singh	PAC	7,92,710	5.79			7,92,710	5.79	0	0.00
Karan Singh	PAC	6,83,630	4.99			6,83,630	4.99	0	0.00
Sanatan Herbal & Naturals Ltd	Acquirer	9,64,500	7.04	9,25,200	6.75	18,89,700	13.79	9,25,200	6.75

Names of the entities	Acquirer/ PAC	Pre holding (As on 15/07/09)		Acquired on 16/07/09		Post-Acquisition holding (i.e. 16/07/09)		Change in holding	
		No. of shares	% of TNS	No. of shares	% of TNS	No. of shares	% of TNS	No. of shares	% of TNS
Camson Farm Produce P. Ltd	Acquirer	11,74,700	8.57	8,10,540	5.92	19,85,240	14.49	8,10,540	5.92
Grand Total		**51,38,530**	**37.51**	**14,00,540**	**10.22**	**65,39,070**	**47.73**	**14,00,540**	**10.22**
Total no. of shares (TNS)		**1,37,00,000**		**1,37,00,000**		**1,37,00,000**			

36. I note from the above table that as a result of acquisition of shares by Sanatan and Camson Farm, the shareholding of Sanatan and Camson Farm together with PAC has increased to 47.73% of total number of shares on July 16, 2009 from 37.51% of total number of shares as on July 15, 2009. (i.e. acquisition of 10.22% of total number of shares on July 16, 2009).

37. In terms of Regulation 11 (1) of SEBI (SAST) Regulations, 1997 "No acquirer who, together with persons acting in concert with him, has acquired, in accordance with the provisions of law, [15 per cent or more but less than[fifty five per cent (55%)]] of the shares or voting rights in a company, shall acquire, either by himself or through or with persons acting in concert with him, additional shares or voting rights entitling him to exercise more than [5% of the voting rights], [with post-acquisition shareholding or voting rights not exceeding fifty five per cent.,] [in any financial year ending on 31st March] unless such acquirer makes a public announcement to acquire shares in accordance with the regulations.

38. In the instant case, I note that the shareholding of the promoters as at the quarter ended period December 2007 was 39.69% of total shareholding of the Company. Pursuant to the Company not classifying Camson and Sanatan under promoter category, the shareholding of the promoters was shown as 19.90% for the subsequent three quarters ended March 2008 to December 2008. Consequent upon classifying Verendra Kumar as non-promoter with effect from the quarter ended March 2009, the holding of the promoters was in the range of 18.42% to 18.64% during the quarter ended period March 2009 and September 2009. I note that as at the end of December 2009 quarter, the shareholding of

the promoters was shown as 15.91%. It is to be noted that the Company had deliberately shown Camson, Sanatan and Veerendra Kumar as non-promoters from March 2008 to December 2009 and March 2009 and December 2012 respectively, in order to facilitate them to acquire additional shares under the guise of non-promoters on July 16, 2009, without making a public announcement for open offer. Pursuant to change in shareholding of PACs to 47.73% of total number of shares on July 16, 2009 from 37.51%, of total number of shares as on July 15, 2009 *(change in shareholding more than 10%)*, the PACs are required to make a public announcement for making open offer under Regulation 11 (1) of SEBI (SAST) Regulations, 1997.

39. From the timing of the allotment of shares to non-promoters, subsequent acquisition of shares by Camson, Sanatan under the guise of non-promoters, (*whereas actually they were promoters*), non-inclusion of these entities and their shareholding under the head promoter category and also non-inclusion of Veerendra Kumar Singh and his shareholding under the head promoter category, the Company had deliberately favoured the Promoters so that public announcement requirement for making open offer under Regulation 11 (1) of SEBI (SAST) Regulations, 1997, does not trigger.

40. From the above findings, I note that the Company has deliberately concealed the material information of acquisition of shares by promoters by not categorizing them as non-promoters and thus mislead the investors on the shareholding pattern of the Company filed by it, which was deceptive, untrue and misleading. Further, the Company also denied the right of minority shareholders to exit the Company consequent upon triggering of takeover code Regulation.

41. I note that Clause 35 of the Listing Agreement, which spells out terms and conditions to be complied with by a Company which seeks to get listed its shares on a Stock Exchange, to disclose to the Stock Exchange shareholding pattern, inclusive of Promoters. The requirement of Listing Agreement emanates from Section 21 of SC(R) Act, 1956 which requires every such company to enter into an agreement, traditionally termed as “Listing Agreement” with the Stock

Exchange on which the shares are sought to be listed. The purpose underlying the requirement of making regular and true disclosures by a company as regards the shares which the promoters may come to hold from time to time is to bring about greater transparency in the functioning of the companies. It is through such disclosures that the investors take an informed decision in a given situation to invest in the scrip of that company or even to exit. Thus, true and correct disclosures as to the exact shareholding pattern of promoters assume greater significance.

42. Further, I note that a simple reading of section 12(A)(a) of the SEBI Act, 1992 read with Regulation 3(a) of the PFUTP Regulations, 2003 as reproduced above clearly reveals that it is not only the fraudulent or manipulative buy or sale of securities which is prohibited but any dealing in securities "otherwise" also may be illegal and hence amounts to fraud on the market. The expression "…otherwise deal in securities…" occurring in Regulation 3(a) read with section 12A(a) of SEBI Act, 1992 is vide enough to cover cases like the one in hand where general investors are sought to be drastically misguided and mislead by wilful and deliberate suppression of information by categorizing promoters as non-promoters.

43. I note from the above findings that the Company was frequently changing the names of entities in the category of promoters. In the process of categorizing the entities as promoters to non-promoters, the company has fortified a fraudulent practice by reporting false shareholding pattern for the period of more than five years, to benefit its promoters from not making any public announcement for open offer, which had adversely effected the decision of investors. Thus, I conclude that these modus operandi adopted by the Company would undoubtedly amount to manipulative, deceptive and unfair trade practice, which is detrimental to the integrity and fairness of securities market.

44. The shareholding and names of promoters form a very important criterion for the public to make their investment decisions. I also note that during the course of investigation when SEBI tried to ascertain the reasons as to why the it filed incorrect reporting of promoter group, but the Company evaded in responding

to the query. The non-cooperation of the Company to furnish its reply for wrong classification of promoters corroborates the fact that it deliberated concealed the material information to benefit the promoters. I am of the view that by wrongly categorizing certain entities as non-promoters, the Company had deliberately continued to file inflated shareholding details, thereby misleading the investing public. I also note that any change in the promoter and its shareholding is a vital information for the investing public to make an informed decision and by misreporting such vital information, the company had sent false signals to the market, as there were no correct details of promoters and their shareholding was wrongly reflected in the mandatory quarterly disclosures of shareholding pattern in public domain, which was observed for more than 5 years. The actions of the Noticee have severely impaired the integrity of the disclosure system put in place by the regulator

45. In this connection, I deem it appropriate to draw reference to the observations of Hon'ble SAT in the matter of GHCL Ltd., Vs SEBI (Appeal no. 6 of 2014) decided on July 31, 2014, wherein the Hon'ble SAT observed that "*In fact, the companies are required to maintain a register in this respect and if a vast variation is noted by the Company, the Company Secretary and the Chairman, in the shareholding pattern of the promoters, they are duty bound to inform to the stock exchange or even to SEBI accordingly. Such acts of wrong disclosures are condemned as fraudulent and unfair trade practices".*

46. In line with the observations of the Hon'ble SAT and in view of the findings brought out above, which indicates filing of wrong / misleading shareholding pattern of the promoters of the Company, I conclude that the Noticee has violated the provisions of Clause 35 of Listing Agreement read with Section 21 of SCRA, and Regulations 3(a), (b), (c), (d), 4(1), 4(2) (f) and (k)of SEBI (PFUTP) Regulations read with Section 12 A (a), (b) (c) of SEBI Act, 1992.

ISSUE – II: Does the violation, if any, attract monetary penalty under Section 23E of SCRA and Section 15HA of SEBI Act.?

47. The basic criterion on which the whole Listing Agreement based is Corporate Governance. By way of Listing Agreement inter-alia Stock Exchange ensures

on behalf of SEBI that the Listed Companies are following good Corporate Governance Practice. The investors need adequate disclosure at all times to take well informed investment decisions. Any wrong disclosures by the Listed Companies would hamper the interest of investors in taking an informed decision. The shareholding and names of promoters form a very important criterion for the public to make their investment decisions I note that the Noticee admittedly portrayed a wrong picture of promoter shareholding in the Company to the market, to benefit its promoters from not making a public announcement for making open offer. Therefore, as the violation against the Noticee stands established, the Noticee is liable for monetary penalty under Section 23E of SCRA and Section 15HA of SEBI Act, the provisions of which are reproduced hereunder:

Section 23E of SCRA - Penalty for failure to comply with provision of listing conditions or delisting conditions or grounds.

If a company or any person managing collective investment scheme or mutual fund, fails to comply with the listing conditions or delisting conditions or grounds or commits a breach thereof, it or he shall be [liable to a penalty which shall not be less than five lakh rupees but which may extend to twenty-five crore rupees."

Section 15HA of SEBI Act - Penalty for fraudulent and unfair trade practices-

If any person indulges in fraudulent and unfair trade practices relating to securities, he shall be liable to a penalty which shall not be less than five lakh rupees but which may extend to twenty-five crore rupees or three times the amount of profits made out of such practices, whichever is higher."

ISSUE-III: If so, what would be the monetary penalty that can be imposed taking into consideration the factors mentioned in Section 23J of SCRA and Section 15J of SEBI Act?

48. While determining the quantum of monetary penalty under 23E of SCRA and 15HA of SEBI Act, I have considered the factors stipulated in Section 23J of SCRA and Section 15J of SEBI Act, which reads as under:

Factors to be taken into account by the Adjudicating Officer

While adjudging quantum of penalty under Section 23-I and 15-I, the Adjudicating Officer shall have due regard to the following factors, namely:

(a) the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;

(b) the amount of loss caused to an investor or group of investors as a result of the default;

(c) the repetitive nature of the default.

49. The material made available on record has not quantified the amount of disproportionate gain or unfair advantage made by the Noticee and the loss suffered by the investors as a result of the Noticee's default. There is also no material made available on record to assess the amount of loss caused to investors or the amount of disproportionate gain or unfair advantage made by the Noticees as a result of default. It is the responsibility of the Listed Company to furnish correct disclosures to Stock Exchanges which is very vital for the investors / shareholders to enable them to take an informed decision and any such failure on its part is likely to impact the interest of investors / shareholders.

50. I note that it was a conscious and well considered decision by the Noticee to categorize certain entities as promoters and non-promoters and has fortified a fraudulent practice by filing wrong / misleading shareholding pattern of the promoters to the Stock Exchanges under Clause 35 of Listing Agreement, to facilitate the promoters from not making a public announcement for open offer, which is a very serious matter.

51. Therefore, any lapse on the part of the Listed Company has to be dealt by SEBI seriously in order to protect the interests of investors in securities market. Therefore, I consider it appropriate for imposition of penalty on the Noticee for violation of Clause 35 of Listing Agreement read with Section 21 of SCRA, under Section 23H of SCRA and for violation of the provisions of Regulations 3(a), (b), (c), (d), 4(1), 4(2) (f) and (k)of SEBI (PFUTP) Regulations read with Section 12 A (a), (b) (c) of SEBI Act, 1992, under Section 15HA of SEBI Act.

ORDER

52. Having considered all the facts and circumstances of the case, I, in exercise of the powers conferred upon me under Section 23I of the SCRA read with Rule 5 of the SCR Rules and Section15I of SEBI Act read with Rule 5 of SEBI Adjudication Rules, hereby impose a penalty ₹ 5,00,000/- (Rupees Five Lakhs only) under Section 23E of SCRA and ₹ 20,00,000/- (Rupees Twenty Lakhs only) under Section 15HA of SEBI Act, respectively, {totalling ₹ 25,00,000/- (Rupees Twenty Five Lakhs only)} on the Noticee i.e., Camson Bio Technologies Ltd.,

53. The said penalty imposed on the Noticee, as mentioned above, shall commensurate with the violation committed and acts as a deterrent factor for the Noticee and others in protecting the interest of investors.

54. 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 SEBI website www.sebi.gov.in on the following path by clicking on the payment link.

ENFORCEMENT → Orders → Orders of AO → PAY NOW

55. The Noticee shall forward said Demand Draft or the details / confirmation of penalty so paid through e-payment to the Division Chief, Enforcement Department-I, DRA-I, SEBI, in the format as given in table below:

Case Name	
Name of Payee	
Date of payment	
Amount Paid	
Transaction No	
Bank Details in which payment is made	
Payment is made for	Penalty

56. In the event of failure to pay the said amount of penalty within 45 days of the receipt of this Order, recovery proceedings may be initiated under Section 28A of the SEBI Act for realization of the said amount of penalty along with interest thereon, inter alia, by attachment and sale of movable and immovable properties.

57. In terms of Rule 6 of the SCR Adjudication Rules and SEBI Adjudication Rules, copies of this order are sent to the Noticee i.e., Camson Bio Technologies Ltd., and also to SEBI.

Date: March 5, 2020 **B J DILIP**

Place: Mumbai **Adjudicating Officer**