

SECURITIES AND EXCHANGE BOARD OF INDIA

FINAL ORDER

UNDER SECTIONS 11(1), 11(4) AND SECTION 11B OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH REGULATION 44 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997 READ WITH REGULATION 35 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011.

IN THE MATTER OF M/s CAMSON BIO TECHNOLOGIES LIMITED.

NOTICEES		PAN
1.	DHIRENDRA KUMAR	ADTPK0348P
2.	VEERENDRA KUMAR	AODPS6092K
3.	AKBAL NARAYAN SINGH	ABFPS9453D
4.	ALKA SINGH	APRPS5726D
5.	GEETA SINGH	ACDPS8930L
6.	KARAN SINGH	AMKPK4001D
7.	M/s SANATAN HERBALS AND NATURALS LIMITED	AAFCS6461D
8.	M/s CAMSON FARM PRODUCE P. LIMITED	AAACR9470N
9.	M/s SHASHTIKA HEALTH RESORT AND SPA P. LIMITED	AAMCS7053A

BACKGROUND –

1.1 Securities and Exchange Board of India (“SEBI”) had conducted an investigation in the matter relating to suspected violations of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (“Takeover Regulations, 1997”) in the scrip of M/s Camson Bio Technologies Limited (“Camson Bio/the Company”) for the period from January 1, 2008 to June 30, 2013 (“Investigation period”).

1.2 The investigation conducted by the SEBI *inter alia* revealed the following:

- A. Camson Bio was incorporated under the Companies Act, 1956 on November 19, 1993, having its registered office at Bengaluru, Karnataka. The Company operated in two segments i.e. seeds and vegetables and Agri biotech products. Camson Bio was listed on Bangalore Stock Exchange (“BgSE”) and was permitted to trade at BSE (formerly known as Bombay Stock Exchange) during the Investigation period.

- B. During the Financial Years 2007–08 to 2013–14, the Board of Directors of the Company was as follows:

TABLE I – BOARD OF DIRECTORS		
Sr. No.	NAME	DESIGNATION
1.	DHIRENDRA KUMAR	EXECUTIVE (MANAGING DIRECTOR)
2.	VEERENDRA KUMAR SINGH (W.E.F. 23.05.2007)	NON-EXECUTIVE
3.	AKBAL NARAYAN SINGH	NON-EXECUTIVE
4.	B. C. MADAPPA	NON-EXECUTIVE/INDEPENDENT
5.	KRISHNASWAMY RAMASWAMY	NON-EXECUTIVE/INDEPENDENT
6.	DR. ANURUDH KUMAR SINGH (W.E.F. 28.11.2008)	NON-EXECUTIVE/INDEPENDENT
7.	GULSHAN KUMAR KHANNA (W.E.F. 10.08.2010)	NON-EXECUTIVE/INDEPENDENT
8.	SANJAY AGARWAL (W.E.F. 30.10.2010 to 14.11.2010)	NON-EXECUTIVE

- C. The shareholding pattern of the Company for the Quarters ended December 2007 to September 2013 (Source: Shareholding submitted to BgSE/BSE for quarters ended December 2007 to September 2013) was as under:

TABLE II – SHAREHOLDING PATTERN OF THE COMPANY							
PERIOD ENDED	PROMOTERS			NON-PROMOTERS			TOTAL NO. OF SHARES ISSUED
	NO. OF SHAREHOLDERS	NO. OF SHARES	%	NO. OF SHAREHOLDERS	NO. OF SHARES	%	
DECEMBER-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

- D. From the above, it is observed 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, as compared to the previous quarters.
- E. Camson Bio was observed to be frequently changing names of entities belonging to the category of Promoters during the period from January 1, 2008 to June 30, 2013.
- F. In this context, it was observed that during the Financial Year ended March 31, 2010, Acquirers, viz. M/s Sanatan Herbals and Naturals Limited ("**Sanatan Herbal**") and M/s Camson Farm Produce P. Limited ("**Camson Farm**") along with '*persons acting in concert*' ("**PACs**"), viz. Dhirendra Kumar, Veerendra Kumar Singh, Akbal Narayan Singh, Alka Singh, Geeta Singh and Karan Singh had acquired 10.22% of the total paid-up equity share capital of Camson Bio on July 16, 2009.
- G. Further, it was also observed that during the Financial Year ended March 31, 2011, Acquirers, viz. Dhirendra Kumar and M/s Shashtika Health Resorts and Spa P. Limited ("**Shashtika Health**") along with PACs, viz. Veerendra Kumar Singh, Akbal Narayan Singh, Alka Singh, Geeta Singh, Karan Singh, Sanatan Herbals and Camson Farm had acquired 7.27% of the total paid-up equity share capital of Camson Bio on March 14, 2011.

1.3 Pursuant to completion of investigation, a Show Cause Notice dated January 31, 2017, was issued to the following entities/Noticees:

- i. Dhirendra Kumar ("**Noticee no. 1**");
- ii. Veerendra Kumar ("**Noticee no. 2**");
- iii. Akbal Narayan Singh ("**Noticee no. 3**");
- iv. Alka Singh ("**Noticee no. 4**");
- v. Geeta Singh ("**Noticee no. 5**");
- vi. Karan Singh ("**Noticee no. 6**");
- vii. Sanatan Herbals ("**Noticee no. 7**");
- viii. Camson Farm ("**Noticee no. 8**") and
- ix. Shashtika Health ("**Noticee no. 9**").

1.4 The SCN *inter alia* alleged the violation by the above mentioned Noticees of the following provisions of law:

- I. **Regulation 11(1) read with Regulation 14(1) of the Takeovers Regulations, 1997 for acquisition of shares of the Company during the Financial Year ending March 31, 2010:**
Sanatan Herbals and Camson Farm along with PACs, viz. Dharendra Kumar, Veerendra Kumar Singh, Akbal Narayan Singh, Alka Singh, Geeta Singh and Karan Singh, had acquired 10.22% of the total paid-up equity share capital of Camson Bio on July 16, 2009, which had resulted in an increase in the shareholding of the Acquirers along with PACs in the Company from 37.51% to 47.73% during the aforementioned Financial Year. As the increase in shareholding was more than 5% of the paid-up equity share capital of Camson Bio, the Acquirers along with PACs were required to make a public announcement of offer for acquisition of shares under Regulation 11(1) read with Regulation 14(1) of the Takeover Regulations, 1997. However, the aforementioned entities had failed to make such public announcement thereby violating the aforementioned Regulations.
- II. **Regulation 11(1) read with Regulation 14(1) of the Takeovers Regulations, 1997 for acquisition of shares of the Company during the Financial Year ending March 31, 2011:**
Dhirendra Kumar and Shashtika Health along with PACs, viz. Veerendra Kumar Singh, Akbal Narayan Singh, Alka Singh, Geeta Singh, Karan Singh, Sanatan Herbals and Camson Farm, had acquired 7.27% of the total paid-up equity share capital of Camson Bio on March 14, 2011, which had resulted in an increase in the shareholding of the Acquirers along with PACs in the Company from 31.77% to 39.04% during the aforementioned Financial Year. As the increase in shareholding was more than 5% of the paid-up equity share capital of Camson Bio, the Acquirers along with PACs were required to make a public announcement of offer for acquisition of shares under Regulation 11(1) read with Regulation 14(1) of the Takeover Regulations, 1997. However, the aforementioned entities had failed to make such public announcement thereby violating the aforementioned Regulations.

1.5 In view of the aforementioned, Noticee nos. 1–9 were directed to show cause as to why suitable directions under Sections 11(1), 11(4)(b) and 11B of the SEBI Act, 1992 (“**SEBI Act**”) read with Regulations 44(f) and 44(i) of the Takeover Regulations, 1997 and Regulation 35 of the Securities And Exchange Board Of India (Substantial Acquisition of Shares and Takeovers)

Regulations, 2011 ("**Takeover Regulation, 2011**") should not be issued against them for the violations alleged in the SCN.

HEARING:

2.1 Subsequent to the issuance of the SCNs, multiple opportunities of personal hearing/opportunity to file written submissions were granted to Noticee nos. 1–9 on various dates and such dates along with details of appearances/responses are listed out hereunder:

- i.* **September 26, 2017:** An opportunity of personal hearing was granted to Noticee nos. 1–9.
 - a. Noticee nos. 1, 3, 5, 6, 7, 8 and 9 appeared for the hearing and were represented by Ms. Poonam Gadkari, Advocate–Juris Matrix. It was submitted that as the aforementioned Noticees were filing settlement applications in terms of the SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 ("**Settlement Regulations 2014**") (as was also stated in their replies dated May 22, 2017), the proceedings against them be deferred/kept in abeyance till such time the applications were disposed of. The aforementioned Noticees had not made any submissions on merits in respect of the allegations levelled against them in the SCN, during the personal hearing.
 - b. Noticee no. 2, Veerendra Kumar appeared in person for the personal hearing and also represented his wife i.e. Noticee no. 4, Alka Singh and had reiterated the submissions contained in their replies dated March 3, 2017 and May 24, 2017. The aforementioned Noticees were granted time till October 10, 2017, to file written submissions, if any, and also to provide complete details of their demat account and transactions in securities made by him in respect of the Target Company from January 1, 2009 till date.
- ii.* **July 26, 2018:** An opportunity of personal hearing was granted to Noticee nos. 1, 3, 5, 6, 7, 8 and 9. The aforementioned Noticees appeared for the hearing and were represented by Ms. Poonam Gadkari, Advocate. It was pointed out that contrary to their submissions during the hearing held on September 26, 2017, the aforementioned Noticees had not filed any application under the Settlement Regulations 2014. In this context, the Noticees undertook to file settlement applications under the said Regulations within a week from the date of the

hearing and citing the aforementioned ground, refrained from making submissions on merits during the personal hearing. Accordingly, the aforementioned Noticees were directed to file written submissions, if any, within one weeks' time. However, no written submissions were filed by the aforementioned Noticees.

iii. **February 27, 2020:** During the intervening period, since considerable time had lapsed since the previous hearing in the matter and also considering the fact that Noticee nos. 1, 3, 5, 6, 7, 8 and 9 were yet to make submissions on merits despite having failed to file any settlement applications under the Settlement Regulations 2014, a further opportunity for personal hearing/to file additional written submissions was granted to all the Noticees on the aforementioned date.

- a. Noticee nos. 1, 3, 5, 6, 7, 8 and 9 had failed to appear for the hearing.
- b. Noticee nos. 2 and 4 had requested for an adjournment of the hearing on account of having to attend a marriage function within their family. Accordingly, an adjournment was granted to Noticee nos. 2 and 4.

iv. **August 19, 2020:** An opportunity of personal hearing was granted to all the Noticees on the aforementioned date.

- a. Noticee nos. 1, 3 and 6 had requested for an adjournment of the hearing vide an email dated August 17, 2020, citing non-availability of documents on account of the Covid-19 nation-wide lockdown. Accordingly, an adjournment was granted to the said Noticees.
- b. Noticee nos. 5, 7, 8 and 9 did not appear for the hearing.
- c. Noticee nos. 2, Veerendra Kumar, appeared in person for the personal hearing and also represented his wife i.e. Noticee no. 4, Alka Singh. Noticee no. 2 had submitted that he was not aware of what was happening at the Company's registered office in Bengaluru, Karnataka, during the period of the alleged violations as he was then posted in Delhi as a Non-Executive Director upon his return to India in 2008. In reply to a query during the personal hearing regarding whether he had attended any meeting of the Company in his capacity as a Director, Noticee no. 2 denied having attended any meeting. The aforementioned Noticees were granted one weeks' time

to file written submissions, if any. The hearing stood concluded as against Noticee nos. 2 and 4.

- v. **September 8, 2020:** An opportunity of personal hearing was granted to Noticee nos. 1, 3, 5, 6, 7, 8 and 9 on the aforementioned date. One of the Noticees i.e. Karan Singh, had entered appearance on behalf of all the aforementioned Noticees and himself *inter alia* submitting that an adjournment was being sought on account of non-receipt of documents by their legal counsel in view of the Covid-19 pandemic. The Noticees were informed that a final opportunity of hearing will be granted to them during the last week of September 2020.
- vi. **September 30, 2020:** An opportunity of personal hearing was granted to Noticee nos. 1, 3, 5, 6, 7, 8 and 9 on the aforementioned date. Prior to the hearing, Noticee no. 3 had vide letter dated September 28, 2020, filed additional submissions. However, while Noticee nos. 1, 3 and 5 were represented by Noticee no. 6 (who also appeared for himself), Noticee nos. 7, 8 and 9 had failed to appear for the hearing. Noticee nos. 1, 3, 5 and 6 denied the allegations contained in the SCN but also stated that as they were yet to engage a new lawyer, time may be granted for submitting written submissions with relevant evidence to substantiate the contentions they will adopt in the matter. The Noticees were granted time till October 20, 2020, to file written submissions failing which it shall be considered that the Noticees have no submissions to make and the matter shall be proceeded *ex parte*. In view of the aforementioned, the hearing stood concluded against Noticee nos. 1, 3, 5, 6, 7, 8 and 9. Further, Noticee nos. 1, 3, 5, 6 and 9 had filed written submissions vide letter dated October 20, 2020.

REPLIES/SUBMISSIONS OF THE NOTICEES:

2.2 **Noticee nos. 1, 3, 5, 6, 7, 8 and 9:** Vide replies dated (a) **May 22, 2017** and (b) **October 20, 2020** (for Noticee nos. 1, 3, 5, 6, 7 and 9) – the aforementioned Noticees *inter alia* submitted as under:

A. ***Allegation concerning the violation of Regulation 11(1) read with Regulation 14(1) of the Takeovers Regulations, 1997 for acquisition of shares of the Company during the Financial Year ending March 31, 2010.***

- i. *Vide replies dated May 22, 2017, Noticee nos. 7 and 8 had submitted that they had acquired 9,25,200 shares and 8,10,540 shares, respectively, of the Company on July 16, 2009. At the time of acquiring such shares, they were unaware of the requirement issued under Regulation 11(1) read with Regulation 14(1) of the Takeover Regulations, 1997 and neither were they advised to take any such actions. Therefore, it was only upon receiving such communication from SEBI that they realized that the said Regulations were required to be adhered to under the Takeover Regulations, 1997. They had no mala fide intention behind acquiring these shares and the said acquisition was done for investing in the Company after considering its prospect. Further, the acquisition had not led to any disadvantage for the investors nor has it effected major change in control or management of the Company.*
- ii. *Vide replies dated May 22, 2017, Noticee nos. 1, 3, 5, 6 and 9 had inter alia submitted that SEBI had wrongly considered them as PACs for the acquisition made by Noticee nos. 7 and 8 i.e. Sanatan Herbals and Camson Farm in the year 2009, whereas the obligation of making the public announcement is of the Acquirers and not the PACs. On a bare perusal of Regulation 11(1) of the Takeover Regulations, 1997, it becomes clear that it is the Acquirer and not the PAC, who is required to issue the public notice. Thus, the Acquirer can acquire shares on his own or through or with PACs. However, the Acquirer shall remain liable for making the public announcement and not the PAC. The charges for non-compliance of Regulation 11(1) read with Regulation 14(1) of the Takeover Regulations, 1997 can only be against the Acquirers, Sanatan Herbals and Camson Farm and not us. Laying down altogether different legal proposition that PACs are required to make public announcement is clearly in contradiction to the actual interpretation of Regulation 11(1) of the Takeover Regulations, 1997. We have not made any acquisition of shares in the year 2009.*

- iii. Noticee nos. 1, 3, 5, 6 and 9 had further submitted that for the purposes of the impugned acquisition, they were not acting in concert with the Acquirers. The Acquirers acted on their own volition and there was no common intention to acquire any further shares or control. Therefore, it is submitted that for the purposes of the impugned acquisition, we were not PACs along with the Acquirers. Therefore, since they did not acquire any of the shares in question they were not obligated to make a public announcement. Further, they had carried no such intention to put the investors of the company at a disadvantage.
- iv. Noticee nos. 1, 3, 5, 6 and 9 had further submitted that the acquisitions on July 16, 2009, had not led to any disadvantage for the investors nor had it effected major change in control or management of the Company. In this context, the Noticees had relied on the observations of the Supreme Court in **Hindustan Steel vs. State of Orissa (1969) 2 SCC 627**, the Bombay High Court in **SEBI vs. Cabot International 2004 SCC Online Bom 180**.

B. Allegation concerning the violation of Regulation 11(1) read with Regulation 14(1) of the Takeovers Regulations, 1997 for acquisition of shares of the Company during the Financial Year ending March 31, 2011.

- i. Vide replies dated May 22, 2017, Noticee nos. 1 and 9 submitted that they had each acquired 9,90,000 shares of the Company on March 14, 2011 by way of conversion of warrants. At the time of acquiring such shares, they were unaware of the requirement issued under Regulation 11(1) read with Regulation 14(1) of the Takeover Regulations, 1997 and neither were they advised to take any such actions. Therefore, it was only upon receiving such communication from SEBI that they realized that the said Regulations were required to be adhered to under the Takeover Regulations, 1997. They had no mala fide intention behind acquiring these shares and the said acquisition was done for investing in the Company after considering its prospect. Further, the acquisition had not led to any disadvantage for the investors nor has it effected major change in control or management of the Company.
- ii. Vide replies dated May 22, 2017, Noticee nos. 3, 5, 6, 7 and 8 had inter alia submitted that SEBI had wrongly considered them as PACs for the acquisition made by Noticee nos. 1 and 9 i.e. Dharendra Kumar and Shashtika Health in the year 2011, whereas the obligation of making the public announcement is of the Acquirers and not the PACs. On a bare perusal of Regulation 11(1) of the Takeover Regulations, 1997, it becomes clear that it is the Acquirer and not the PAC, who is required to issue the public notice. Thus, the Acquirer can acquire shares on his own or through or with PACs. However, the Acquirer shall remain liable for making the public

announcement and not the PAC. The charges for non-compliance of Regulation 11(1) read with Regulation 14(1) of the Takeover Regulations, 1997 can only be against the Acquirers, Sanatan Herbals and Camson Farm and not us. Laying down altogether different legal proposition that PACs are required to make public announcement is clearly in contradiction to the actual interpretation of Regulation 11(1) of the Takeover Regulations, 1997. We have not made any acquisition of shares in the year 2011.

- iii. Further, Noticee nos. 3, 5, 6, 7 and 8 had submitted that for the purposes of the impugned acquisition, they were not acting in concert with the Acquirers. The Acquirers acted on their own volition and there was no common intention to acquire any further shares or control. Therefore, it is submitted that for the purposes of the impugned acquisition, we were not PACs along with the Acquirers. Therefore, since they did not acquire any of the shares in question such obligation cannot be cast upon us to make a public announcement. Further, they had carried no such intention to put the investors of the company at a disadvantage.
- iv. Noticee nos. 3, 5, 6, 7 and 8 had further submitted that the acquisitions on March 14, 2011, had not led to any disadvantage for the investors nor had it effected major change in control or management of the Company and had relied on the observations of the Supreme Court and Bombay High Court in the above mentioned cases.

- C. Subsequently, **vide a reply received at SEBI on September 28, 2020, Noticee no. 3 had submitted an Affidavit** stating that: “the allegations levied vide the SCN dated January 31, 2017... the emphasis of the investigation was to examine the holdings of all the Companies and its PACs with reference to Regulation 11(1) of the Takeover Regulations, 1997/Regulation 3(3) of the Takeover Regulations, 2011 for the period from January 1, 2008 to June 30, 2013 and disclosures made by the Company with respect to corresponding Promoter shareholding in the scrip of Camson Bio.

I say that I failed to make a public announcement of open offer within the stipulated time under Regulation 14 ...”

D. In this context, **vide common replies each dated October 20, 2020, Noticee nos. 1, 3, 5, 6 and 9 had *inter alia* submitted:**

- i. *It is also pertinent to note here that during the financial year 2010, all responsibilities in respect of filings and compliances as mandated from time to time, were handled by Akbal Narayan Singh. Further, Akbal Narayan Singh vide his Affidavit dated September 22, 2020 has taken sole responsibility to be held liable for any and all compliance issues that may arise in respect of the present transaction.*
- ii. *Additionally, it is submitted that the Annual Reports for the Financial Years 2008 till 2013, have time and again been disclosed on the BgSE and the BSE websites and have also been duly circulated to the respective shareholders of the Company in due compliance with the regulatory requirements. In this respect, no objections were raised by either the statutory auditor or the compliance officers of Company. Therefore, there was no reason to believe at any point in time that a breach has taken place.*
- iii. *In and around November 2013, Geeta Singh and Karan Singh resigned from the position of Directors of Camson Farm.*
- iv. *It is pertinent to note here that vide an Order dated July 31, 2015, the Hon'ble High Court at Karnataka had approved the scheme of arrangement (demerger) of seeds business from M/s Camson Bio to Camson Seeds Ltd.*
- v. *Further, on June 14, 2018, the National Company Law Tribunal, Bangalore had ordered Camson Bio to be liquidated under the provisions of the Insolvency and Bankruptcy Code, 2016 ("IBC 2016").*
- vi. *As on date of reply i.e. October 20, 2020, Sanatan Herbals has been struck off from the Registrar of Companies ("ROC").*
- vii. *Therefore, in light of the above circumstances, it is our humble submission that as on date, the penal measures as mentioned under Regulation 44 (f) stand without an effective remedy given that Camson Bio is already in the process of being liquidated. In the given circumstances, SEBI, being the regulatory body is merely making an attempt to abuse its power to penalize me for an event in respect of which sufficient time has lapsed and effectively as on date, there lies no remedy.*

2.3 Vide replies dated **March 3, 2017, May 23, 2017, October 4, 2017, November 24, 2017 and August 24, 2020, Noticee nos. 2 and 4** had *inter alia* submitted:

- i. *I (Veerendra Kumar) am not aware of any shares being allotted to me in the form of warrants since when I enquired with my brother, Dharendra Kumar, he told me that these were not my shares but have been allocated to my namesake Veerendra Kumar Singh, who at that time was heading our marketing team. Even if these shares had been allocated to me then the transfer of 3,35,200 shares to Sanatan Herbals (of which I am also not aware) was without my consent, which amounts to cheating and forgery. The person in question i.e. Dharendra Kumar, with the help of investors, made huge profits as the share prices rose to an all-time high of ₹252 per share within a span of one year.*
- ii. *I being one of the Promoters was always kept in the dark on the corporate affairs and was told that as Promoters we were not supposed to acquire shares whereas my brother did acquire shares by other means and through shell companies. I came to know of his deeds only when my brother was asked to step down from the post of CMD and subsequently, I was made MD in 2006 but during that period also I was kept aside and not allowed to function independently as MD as my brother had control of majority shares. Although I was appointed Managing Director of Camson Bio, I was not allowed to have access to any documents and was barred from entering the office and factory both in Bangalore and Himachal Pradesh. Secondly, all the official mails were on mail.camsonbiotechnologies.com and prior to that, sify.com was being used for correspondence and both the mails are not operational now, hence cannot retrieve any document from them. I further wish to inform you that original shares of Camson Bio, which was to the tune of 1,10,000 shares was converted into digital form on September 5, 2017 through ICICI Bank Demat Services whereas the shares in question were allocated during the period of December 2008 to March 2009 and then transferred to Sanatan Herbals during the period of June 2009 to September 2009.*
- iii. *The first time I doubted my elder brother's intention was when the original shares in physical form (certificate bearing no. 17044 to 17143) were submitted for transfer in my name but to my surprise, I received a letter from the agency saying the same had already been transferred in the name of Dharendra Kumar. Fortunately, the copy of the said letter was sent to me by Mr. Sangayya who was associated and working with us right from the time we went public. Even in the appointment letter as Managing Director, my brother had forged my father's signature.*

- iv. *My shares of Camson Bio were in hard copy and got converted into demat in 2012 because the dividends were supposed to be paid directly in the bank account. I had never been handed over any additional shares nor have I transferred the same to any one without financial gain.*
- v. *I was not allowed to enter the premises of Camson Bio's office or the factory (Bangalore and Bilaspur) after 28th September 2016 (as this was the date of AGM) as the difference had surfaced in open between me and my brother Dhirendra Kumar and had to walk out without even my dues being cleared. In fact my wife had travelled to Bangalore in 2019 to see my ailing father but for your information she was not allowed to meet him even once during that trip. Her entry to the farm and his house was banned and she stayed with her cousin brother as last resort.*
- vi. *Truth will prevail and I am not above law but at the same time as per our system we should not punish a person if he has not done the act. Rest leaving it to my fate and will accept any judgment, penalty and punishment as I am born as brother of Dhirendra Kumar in this Life. But once again I express our willingness to undergo any type of lie detector test as this is my only hope to prove my innocence.*
- vii. *I (Alka Singh) deny the allegations made against me in the SCN as I was not aware or informed of any of the transactions/acquisitions made on July 16, 2009 and March 14, 2011.*

CONSIDERATION OF ISSUES AND FINDINGS –

I have considered the SCN dated January 31, 2017 along with all the material available on record. The relevant provisions of law alleged to have been violated by the Noticees are reproduced below:

Regulations 11(1) and 14(1) of Takeover Regulations, 1997 read as follows:

- 11. (1) *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.*

14. (1) *The public announcement referred to in regulation 10 or regulation 11 shall be made by the merchant banker not later than four working days of entering into an agreement for acquisition of shares or voting rights or deciding to acquire shares or voting rights exceeding the respective percentage specified therein.*

Accordingly, I shall now proceed to take up for adjudication the following allegations as reproduced from the SCN:

3. Violation of Regulation 11(1) read with Regulation 14(1) of the Takeovers Regulations, 1997, by Noticee nos. 7 and 8 along with PACs i.e. Noticee nos. 1, 2, 3, 4, 5 and 6 during the Financial Year ending March 31, 2010.

3.1 As per the SCN, on July 16, 2009, Sanatan Herbals had acquired 9,25,200 shares of the Target Company while Camson Farm had acquired 8,10,540 shares of the said Company. The aforementioned acquisition by the Acquirers when taken together with the shareholding of entities who were alleged to be PACs with them i.e. Noticee nos. 1, 2, 3, 4, 5 and 6 had resulted in an increase in their shareholding in the Target Company from 37.51% on July 15, 2009 to 47.73% on July 16, 2009 ("**First Acquisition**"). Since the Acquirers along with PACs had acquired 10.22% of the total number of shares on July 16, 2009, i.e. more than 5% increase in shareholding in a Financial Year, they had triggered Regulation 11(1) of the Takeover Regulations, 1997 and were therefore, required to make a public announcement under Regulation 14(1) of the aforementioned Regulations. Having failed to do so, it was alleged in the SCN that the Acquirers along with PACs had violated the aforementioned Regulations of the Takeover Regulations, 1997 in respect of the acquisition made by them on July 16, 2009.

3.2 In their replies, Noticee nos. 7 and 8 had admitted to the alleged acquisition, while contending that they were unaware of the requirements under Regulation 11(1) read with Regulation 14(1) of the Takeover Regulations, 1997. On the other hand, Noticee nos. 1, 5 and 6 while initially submitting that SEBI had wrongly interpreted Regulation 11(1) of the Takeover Regulations, 1997, had subsequently submitted that as Noticee no. 3 was responsible for ensuring all filings and compliances by the Company during the period of acquisition on July 16, 2009, he alone should be held liable. Contrary to his initial submission of not being a PAC with the Acquirers, Noticee no. 3 had subsequently submitted that he was responsible for any non-compliance by

the Company with the requirements of the Takeover Regulations, 1997, as alleged under the SCN, for the aforementioned acquisition on July 16, 2009. Noticee nos. 2 and 4 had submitted that they were neither aware of nor were they involved in the acquisition made by Noticee nos. 7 and 8 on July 16, 2009.

3.3 Regulation 2(b) of Takeover Regulations, 1997 has defined “Acquirer” to mean “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.” Further, Regulation 2(1) (e) of Takeover Regulations, 1997 has defined “persons acting in concert” to include 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, which is reproduced below:*

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

3.4 Camson Bio was observed to be frequently changing names of entities belonging to the category of Promoters during the period from January 1, 2008 to June 30, 2013. Sanatan Herbals and Camson Farm were shown as Promoters of the Company for the quarter ended December 2007. Subsequently, the two entities were not shown as Promoters from the quarter ended March 2008 till December 2009 and thereafter, were once again shown as Promoters for the quarters ended March 2010 to June 2013. The inclusion of Sanatan Herbals and Camson Farm as Promoters for the quarter ended March 2010 resulted in an increase of shareholding of promoters from 15.91% to 31.74%. In view of exclusion of Sanatan Herbals and Camson Farm from the Promoter category of Camson Bio's shareholding followed by their subsequent inclusion for the quarters ended March 2010 to June 2013 and exclusion thereafter, their connection with Promoters was examined in terms of the definition of PACs under the Takeover Regulations, 1997.

3.5 From the information obtained from the MCA website, the Directors of Sanatan Herbals and Camson Farm during the period January 1, 2008 to September 30, 2013, were Noticee nos. 5 and 6 i.e. Geeta Singh and Karan Singh. In their replies, the Noticees had stated that they had resigned as Directors of Camson Farm only in November 2013. Further, Geeta Singh and Karan Singh were also Directors of Shashtika Health during the period June 22, 2009 to September 30, 2013. Accordingly, during the period when the *First Acquisition* occurred i.e. July 16, 2009, Sanatan Herbal, Camson Farm and Shashtika Health were under the same management. Geeta

Singh and Karan Singh are the wife and son, respectively, of Dharendra Kumar, who was the Managing Director of Camson Bio during the Investigation period. Akbal Narayan Singh is the father of Dharendra Kumar while Veerendra Kumar is his brother. Alka Singh is wife of Dharendra Kumar's brother, Veerendra Kumar.

- 3.6 In this context, in terms of clause (2) of Regulation 2(1)(e) of the Takeover Regulations, 1997, the following persons will be deemed to be PACs with each other for the purpose of the *First Acquisition* and also the acquisition on March 14, 2011, viz.

TABLE III – RELATIONSHIP EXISTING BETWEEN PROMOTERS OF M/S. CAMSON BIO TECHNOLOGIES LTD.		
SR. 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	GEETA SINGH	DIRECTOR OF (1), (2) & (3) DURING INVESTIGATION PERIOD AND WIFE OF MANAGING DIRECTOR OF M/S. CAMSON BIO
5	KARAN SINGH	DIRECTOR OF (1), (2) & (3) DURING INVESTIGATION PERIOD AND SON OF MANAGING DIRECTOR OF M/S. CAMSON BIO
6	DHIRENDRA KUMAR	HUSBAND OF MS. GEETA SINGH AND MANAGING DIRECTOR OF M/S. CAMSON BIO
7	VEERENDRA KUMAR	BROTHER OF DHIRENDRA KUMAR
8	ALKA SINGH	WIFE OF VEERENDRA KUMAR
9	AKBAL NARAYAN SINGH	FATHER OF DHIRENDRA KUMAR

- 3.7 The *First Acquisition* in the instant proceedings had occurred on July 16, 2009. The pre and post-*First Acquisition* shareholding of the Acquirers along with PACs was as under:

TABLE IV – PRE AND POST SHAREHOLDING							
NAMES OF THE ENTITIES	ACQUIRER/ PAC	PRE HOLDING (AS ON 15/07/09)		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
DHIRENDRA KUMAR	PAC	9,26,580	6.76	9,26,580	6.76	0	0.00
VEERENDRA KUMAR	PAC	4,45,200	3.25	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 HERBALS & NATURALS LTD.	ACQUIRER	9,64,500	7.04	18,89,700	13.79	9,25,200	6.75
CAMSON FARM PRODUCE P. LTD	ACQUIRER	11,74,700	8.57	19,85,240	14.49	8,10,540	5.92
GRAND TOTAL		51,38,530	37.51	65,39,070	47.73	14,00,540	10.22
TOTAL NO. OF SHARES (TNS)		1,37,00,000		1,37,00,000			

3.8 In the matter of **Hanumesh Realtors Pvt. Ltd. vs. SEBI (Appeal No.66 of 2012 decided on July 25, 2012)**, the Securities Appellate Tribunal (“SAT”) had an occasion to consider whether the Appellant in that case had violated provisions of Regulation 11(1) read with Regulation 14(1) of the Takeover Regulations, 1997. The Appellant was allotted 28,25,000 shares on preferential basis on March 3, 2010 due to which the shareholding of the Appellant in the Target Company, S Kumars Online Ltd. had increased to 1,22,72,814 shares. In the process the total shareholding of the Promoter Group also increased from 49.62% to 54.59% whereas the individual shareholding of the Appellant in the Promoter Group increased from 36.62% to 42.87%. This naturally raised the shareholding and voting rights of the Appellant in the Target Company by 6.5% thereby triggering Regulation 11(1) of the Takeover Regulations, 1997. Since the Appellant had acquired more than 5% shares, it was required to make an open offer within 4 days as required by Regulation 14(1) of the Takeover Regulations, 1997 in question. This having not been done, penalty of ₹1.87 Crore was imposed as per Section 15H(ii) of the SEBI Act. In the context of the violation of Regulation 11(1) of the Takeover Regulations, 1997, the Hon’ble SAT had observed:

*“Regulation 11 makes provision for public announcement in case of consolidation of holdings. For the purpose of present case, we are concerned with Regulation 11(1) of the takeover code... A bare reading of the aforesaid provisions will make it clear that the provisions of this Regulation apply to an acquirer when he is acting (i) by himself or (ii) through persons acting in concert with him, or (iii) with persons acting in concert with him. Hon’ble Supreme Court, while interpreting the provision of Regulation 11 in the case of Swedish Match AB (supra), has observed that the pre-conditions attracting Regulation 11 are: “(i) that an acquirer had acquired shares in concert with another; (ii) such acquisition was more than 15% but less than 55% of the shares or voting rights in a company; (iii) in the event, the acquirer intends to acquire such additional shares or voting rights which would allow him to exercise more than 5% of the voting rights within a period of 12 months, public announcement is required to be made. (iv) such acquisition of additional shares contemplates three different situations, i.e., **the acquisition may be by acquirer himself or through or with the person acting in concert with the person with whom they had acquired shares earlier in concert with each other.**” (Emphasis supplied) The Court has also observed that Regulation 11 does not brook any other interpretation. The Apex Court further observed that if additional shares are*

acquired entitling an acquirer to exercise more than 5% of the voting rights, the statutory embargo to the effect that the Acquirer must make a public announcement to acquire shares in accordance with the Regulation comes into operation.”

- 3.9 In their replies, in respect of the *First Acquisition*, Noticee nos. 1, 2, 3, 4, 5 and 6 have merely submitted that they were not PACs with the Acquirers i.e. Noticee nos. 7 and 8 on the grounds that they were not aware of the transaction/*First Acquisition* (Noticee nos. 2 and 4) and that the Acquirers were acting on their own volition and there was no common intention between them to acquire any further shares or control in Camson Bio (Noticee nos. 1, 3, 5 and 6). The aforementioned when viewed in light of the relationship that existed between the Noticees as brought out at Table III, leads me to conclude that the Noticees have failed to establish that they were not PACs with the Acquirers in respect of the *First Acquisition*.
- 3.10 Upon a consideration of the preceding paragraphs (see also Table IV), the *First Acquisition* had resulted in an acquisition of more than 5% shares of Camson Bio during the Financial Year 2009–10, by the Acquirers, Noticee nos. 7 and 8 along with the PACs with them i.e. Noticee nos. 1, 2, 3, 4, 5 and 6. As per Regulation 22(19) of Takeover Regulations, 1997, “*the acquirer and the persons acting in concert with him shall be jointly and severally responsible for fulfilment of obligations under the aforesaid Regulations*”. In other words, the principle of joint and several liability of the Acquirer and PACs under the Takeover Regulations, 1997 is well established – in the instant proceedings, if one of the Noticees had made the public announcement on behalf of all the Noticees, then all the Noticees would have been deemed to have complied with Regulation 11(1) read with Regulation 14(1) of the Takeover Regulations, 1997; however, in the absence of any public announcement, all the Noticees will be liable for the legal consequences of such default. In other words, since consequent to the *First Acquisition*, the collective shareholding of the Acquirers along with PACs had breached the 5% limit stipulated in Regulation 11(1) of the Takeover Regulations, 1997, it shall be the joint and several obligation of the Acquirers and PACs to make a public announcement for an open offer under Regulation 14(1) of the said Regulations. Accordingly, as the Acquirers and PACs had failed to make a public announcement to acquire shares in accordance with the Takeover Regulations, 1997, in respect of the acquisition made by them on July 16, 2009, I find that Noticee nos. 7 and 8 along with Noticee nos. 1, 2, 3, 4, 5 and 6 had violated the aforementioned provisions of the Takeover Regulations, 1997 for the

acquisition of shares of the Company during the Financial Year ending March 31, 2010 i.e. on July 16, 2009.

4. Violation of Regulation 11(1) read with Regulation 14(1) of the Takeovers Regulations, 1997, by Noticee nos. 1 and 9 along with PACs i.e. Noticee nos. 2, 3, 4, 5, 6, 7 and 8 during the Financial Year ending March 31, 2011.

4.1 As per the SCN, on March 14, 2011, Dharendra Kumar and Shashtika Health were each allotted 9,90,000 shares of the Target Company. The aforementioned acquisition of 19,80,000 shares of the Target Company, by the Acquirers when taken together with the shareholding of entities who were alleged to be PACs with them had resulted in an increase in their shareholding in the Target Company from 31.77% on March 13, 2011 to 39.04% on March 14, 2011 ("**Second Acquisition**"). Since the Acquirers along with PACs had acquired 7.27% of the total number of shares on March 14, 2011, i.e. more than 5% increase in shareholding in a Financial Year, they had triggered Regulation 11(1) of the Takeover Regulations, 1997 and were therefore, required to make a public announcement under Regulation 14(1) of the aforementioned Regulations. Having failed to do so, it was alleged in the SCN that the Acquirers along with PACs had violated the aforementioned Regulations of the Takeover Regulations, 1997 in respect of the acquisition made by them on March 14, 2011.

4.2 In their replies, Noticee nos. 1 and 9 had admitted to the alleged acquisition, while contending that they were unaware of the requirements under Regulation 11(1) read with Regulation 14(1) of the Takeover Regulations, 1997. On the other hand, Noticee nos. 5, 6, 7 and 8 while initially submitting that SEBI had wrongly interpreted Regulation 11(1) of the Takeover Regulations, 1997, had subsequently submitted that as Noticee no. 3 was responsible for ensuring all filings and compliances by the Company even during the period of acquisition on March 14, 2011, he alone should be held liable. Contrary to his earlier submission of not being a PAC with the Acquirers, Noticee no. 3 had subsequently submitted that he was also responsible for any non-compliance by the Company with the requirements of the Takeover Regulations, 1997, as alleged under the SCN, for the aforementioned acquisition on March 14, 2011. Noticee nos. 2 and 4 had submitted that they were also not aware of nor were they involved in the acquisition made by Noticee nos. 1 and 9 on March 14, 2011.

4.3 The *Second Acquisition* in the instant proceedings had occurred on March 14, 2011. The pre and post-*Second Acquisition* shareholding of the Acquirers along with PACs (see also paragraph 3.6) was as under:

TABLE V							
NAMES OF THE ENTITIES	ACQUIRER/ PAC	PRE HOLDING (As on 13/03/11)		POST-ACQUISITION HOLDING (I.E. 14/03/11)		CHANGE IN HOLDING	
		NO. OF SHARES	% OF TNS	NO. OF SHARES	% OF TNS	NO. OF SHARES	% OF TNS
DHIRENDRA KUMAR	ACQUIRER	9,26,580	5.77	19,16,580	10.57	9,90,000	4.80
VEERENDRA KUMAR	PAC	1,10,000	0.69	1,10,000	0.61	0	-0.08
AKBAL NARAYAN SINGH	PAC	1,18,500	0.74	1,18,500	0.65	0	-0.08
ALKA SINGH	PAC	32,710	0.20	32,710	0.18	0	-0.02
GEETA SINGH	PAC	7,92,710	4.94	7,92,710	4.37	0	-0.57
KARAN SINGH	PAC	6,83,630	4.26	6,83,630	3.77	0	-0.49
SANATAN HERBALS & NATURALS LTD	PAC	4,49,300	2.80	4,49,300	2.48	0	-0.32
CAMSON FARM PRODUCE P. LTD	PAC	19,85,240	12.37	19,85,240	10.95	0	-1.42
SHASHTIKA HEALTH RESORTS & SPA P. LTD	ACQUIRER			9,90,000	5.46	9,90,000	5.46
GRAND TOTAL		50,98,670	31.77	70,78,670	39.04	19,80,000	7.27
TOTAL NO. OF SHARES (TNS)		1,60,50,000		1,81,30,000			

4.4 Upon a consideration of the preceding paragraphs, the *Second Acquisition* had resulted in an acquisition of more than 5% shares of Camson Bio during the Financial Year 2010–11, by the Acquirers, Noticee nos. 1 and 9 along with the PACs with them i.e. Noticee nos. 2, 3, 4, 5, 6, 7 and 8. In view of the findings in the preceding paragraphs 3.3–3.12, the *Second Acquisition* similarly had also necessitated compliance by the aforementioned Acquirers and PACs with the requirements under the provisions of Regulation 11(1) read with Regulation 14(1) of the Takeover Regulations, 1997. However, as the Acquirers, Noticee nos. 1 and 9 and PACs, Noticee nos. 2–8 had failed to make a public announcement to acquire shares in accordance with the Takeover Regulations, 1997, in respect of the *Second Acquisition* made by them during the Financial Year ending March 31, 2011 i.e. on March 14, 2011, I find them to have violated the aforementioned provisions of the Takeover Regulations, 1997.

CONCLUSION:

5.1 As concluded in the preceding paragraphs, Noticee nos. 7 and 8 along with PACs i.e. Noticee nos. 1–6 (*First Acquisition*) and Noticee nos. 1 and 9 along with PACs i.e. Noticee nos. 2–8

(*Second Acquisition*) had violated the provisions of the Takeover Regulations, 1997 by failing to ensure compliance with the requirements under the provisions of Regulation 11(1) read with Regulation 14(1) therein. It is noted that in case of violation of the Takeover Regulations, 1997 the normal rule would be to direct the entity or entities who have made the triggering acquisition(s) to make a public offer in accordance with the said Regulations. However, in the instant proceedings, the following is noted:

- a. Vide an Order dated June 14, 2018 in CP (IB) no. 52/BB/2017, the National Company Law Tribunal, Bangalore ("**NCLT**") had admitted the petition filed by the Operational Creditor, M/s Randstand India Pvt. Limited ("**Randstand**") under Section 9 of the IBC 2016 read with Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, against the default in repayment of approx. ₹37 Lakhs by the Corporate Debtor Company therein i.e. Camson Bio. The NCLT had also declared a moratorium under Section 14 of the IBC 2016 with effect from June 14, 2018 till the completion of the corporate insolvency resolution process or until the approval of the resolution plan under Section 31(1) or when the NCLT passes an Order for liquidation of corporate debtor under Section 33, whichever is earlier. Incidentally, in the hearing held on July 26, 2018, Noticee nos. 1, 3, 5, 6, 7, 8 and 9 had not informed SEBI of the aforementioned Order of the NCLT even while undertaking to file applications under the Settlement Regulations 2014.
- b. Thereafter, vide an Order dated December 3, 2020, the NCLT while considering the application filed by the Resolution Professional of Camson Bio under Section 33 of the IBC 2016 read with Rule 11 of the National Company Law Tribunal Rules, 2016 I. A. no. 442 of 2020 in CP (IB) no. 52/BB/2017, *inter alia* for considering and approving the initiation of liquidation process of the Corporate Debtor, had ordered that: "*Camson Bio, Corporate Debtor to be liquated in the manner as laid down in Chapter III of Part II of the Code r/w IBBI (Liquidation process) Regulations, 2016.*"

5.2 At this juncture, since Camson Bio has been ordered to be liquidated vide an Order dated December 3, 2020, of the NCLT, a direction under Regulation 44 of the Takeover Regulations, 1997 read with Regulation 35 of the Takeover Regulations, 2011, to Noticee nos. 1–6, 8 and 9, for making public announcement(s) for open offer(s), will be infructuous. I find this to be a fit case where although the *First* and *Second Acquisitions* have resulted in a violation of the

thresholds stipulated in Regulation 11(1) read with Regulation 14(1) of the Takeover Regulations, 1997, the normal rule to direct the Acquirers and PACs to make public offer(s) may be deviated from. Accordingly, I find it appropriate to pass suitable regulatory directions under Sections 11(1), 11(4)(b) and 11B of the SEBI Act read with Regulation 44(e) of the Takeover Regulations, 1997, against Noticee nos. 1–6, 8 and 9, in light of the violations in the instant proceedings.

- 5.3 As regards Noticee no. 7, I note that Noticee nos. 1, 5, 6 and 9 have stated that as on date, Sanatan Herbals has been struck off from the ROC. As per the information available on the MCA website i.e. <http://www.mca.gov.in>, it is observed that pursuant to Section 248(5) of the Companies Act, 2013, the ROC Karnataka vide its Notification STK–7 NOTICE/DRIVE–III/2019 dated October 23, 2019, had *inter alia* stated that Sanatan Herbals had been struck off from the register of companies and is dissolved with effect from the aforementioned date. The MCA master data also shows the status of the Sanatan Herbals as “Strike Off”. In the instant proceedings, Sanatan Herbals has been found to have violated the provisions of Regulation 11(1) read with Regulation 14(1) of the Takeover Regulations, 1997, in respect of the *First* and *Second Acquisitions*. However, having regard to the fact that Sanatan Herbals stands dissolved as on date, I am of the considered view that the SCN against it be disposed of without any further directions.

ORDER:

6. I, in exercise of the powers conferred on me under Sections 11(1), 11(4)(b) and Section 11B of the SEBI Act read with Regulation 44 of the Takeover Regulations, 1997 read with Regulation 35 of the Takeover Regulations, 2011 and in the interest of investors, hereby direct as under:
- (i) Dharendra Kumar, Veerendra Kumar, Akbal Narayan Singh, Alka Singh, Geeta Singh, Karan Singh, Camson Farm Produce Limited and Shashtika Health Resorts & Spa P. Ltd. shall not access the securities market or buy, sell or otherwise deal in the securities market, either directly or indirectly for a period of **5 years** from the date of this Order.
 - (ii) During the period of restraint, Dharendra Kumar, Veerendra Kumar, Akbal Narayan Singh, Alka Singh, Geeta Singh, Karan Singh, Camson Farm Produce Limited and Shashtika Health

Resorts & Spa P. Ltd., shall not liquidate their existing holding of securities including units of mutual funds.

- (iii) I hereby also dispose of the SCN dated January 31, 2017, against Sanatan Herbals & Naturals Limited without any further directions.

7. This Order shall come into force with immediate effect.
8. A copy of this Order shall be served upon all the Noticees, Stock Exchanges, Banks, Depositories, Registrar and Transfer Agents.

Place: Mumbai
Date: June 22, 2021

G. MAHALINGAM
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA