भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

GENERAL MANAGER &
ADJUDICATING OFFICER

EAD/EAO/RA/CB/ 22452/2017
September 18, 2017

Mr. Dhirendra Kumar (ADTPK0348P) 55, Golden Enclave, Emralo Block, Airport Road, Bengaluru – 560 071 (Karnataka)	**Mr. Veerendra Kumar (AODPS6092K)** 135, Krishi Apartments, 'D' Block, Vikaspuri, New Delhi – 110 018	**Mr. Akbal Narayan Singh (ABFPS9453D)** 152, Madagodahalli, Doddaballapur, Bengaluru – 561203 (Karnataka)
Ms. Alka Singh (APRPS5726D) 135, Krishi Apartments, 'D' Block, Vikaspuri, New Delhi – 110 018	**Ms. Geeta Singh (ACDPS8930S)** 55, Golden Enclave, Emralo Block, Airport Road, Bengaluru – 560 071 (Karnataka)	**Mr. Karan Singh (AMKPK4001D)** 55, Golden Enclave, Emralo Block, Airport Road, Bengaluru – 560 071 (Karnataka)
M/s Sanatan Herbal and Naturals Ltd (AAFCS6461D) Shop No. 4, 2nd Floor, Shri Bhawani Complex, B. M. Sri Road, D Cross Road, Doddaballapur, Bengaluru – 561 203 (Karnataka)	**M/s. Camson Farm Produce P. Ltd (AAACR9470N)** Shop No. 4, 2nd Floor, Shri Bhawani Complex, B. M. Sri Road, D Cross Road, Doddaballapur, Bengaluru – 561 203 (Karnataka)	**M/s Shashtika Health Resort and Spa P. Ltd. (AAMCS7053A)** Kadnuru Kymara, Kadanuru Grama Panchayath, Doddaballapur, Bengaluru – 561 203 (Karnataka)

Show Cause Notice under Rule 4 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995

1. Securities and Exchange Board of India (hereinafter referred to as, the "**SEBI**") appointed the undersigned as Adjudicating Officer (hereinafter be referred to as the "**AO**") vide order dated January 17, 2017 under Section 19 read with sub-section (1) of Section 15I of the Securities and Exchange

Board of India Act, 1992 (hereinafter be referred to as the "**SEBI Act**") and Rule 3 of the Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules,1995 to inquire into and adjudge under Section 15H of the SEBI Act, the alleged violation of the relevant provisions of the SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 1997 (hereinafter be referred to as the "**SAST Regulations**") alleged to have been committed by you (hereinafter be referred to as the "**Noticee**"). The said appointment Order was communicated vide communiqué dated May 16, 2017 (copy of which is enclosed herewith as "**Annexure 1**").

2. During the investigation of the trading and dealings in the scrip of M/s Camson Bio Technologies Ltd. (hereinafter be referred to as the "**Company**"), which was listed on the Bangalore Stock Exchange (hereinafter be referred to as the "**BgSE**") and subsequent to the derecognition of BgSE, has been listed on the Bombay Stock Exchange (hereinafter be referred to as, "the BSE"), it was observed by the SEBI that the Noticee, being an acquirer / person acting in concert, failed in making public disclosure of offer for acquisition of shares, which was required to be made under the provisions of SAST Regulations.

3. On examination of the holdings of the Company for the period January 01, 2008 to June 30, 2013 (hereinafter, "the Investigation Period"), it was observed that the undermentioned were persons acting in concert in terms of Regulation 2(e) of the SAST Regulations. The names of the entities as well as their inter-se relationship is reproduced hereunder:

S. No.	Persons acting in Concert	Relationship
1	M/s Sanatan Hebals and Naturals Ltd	Companies at S. No. 1, 2 and 3 are under same management

2.	M/s Camson Farm Produce Pvt. Ltd	
3.	M/s Shashtika Health Resorts and Spa Limited	
4.	Ms. Geeta Singh	Director of companies at S. No. 1, 2 & 3 during investigation period and wife of Managing Director of the Company
5.	Mr. Karan Singh	Director of companies at S. No. 1, 2 & 3 during investigation period and son of Managing Director of the Company
6.	Mr. Dhirendra Kumar	Managing Director of the Company and Husband of Ms. Geeta Singh (S. No. 4)
7.	Mr. Veerendra Kumar	Brother of Mr. Dhirendra Kumar (S. No. 6)
8.	Ms. Alka Singh	Wife of Mr. Veerendra Kumar (S. No. 7)
9.	Mr. Akbal Narayan Singh	Father of Mr. Dhirendra Kumar (S. No. 6) and Mr. Veerendra Kumar (S.No. 7)

4. During the investigation, it was observed that the total shareholdings of the Persons Acting in Concert at the end of June 2009 was 51,38,530 shares,

भारतीय प्रतिभूति और विनिमय बोर्ड अधिनियम, 1992 के अधीन न्यायनिर्णायक अधिकारी
Adjudicating Officer under Securities and Exchange Board of India Act, 1992

amounting to 37.51% of total share capital (1,37,00,000 shares) of the Company. It is thereafter alleged that on July 16, 2009, M/s Sanatan Hearbals and Naturals Ltd acquired 9,25,200 shares (5,90,000 shares from Mr. Ram Yadav and 3,35,200 shares from Mr. Veerendra Kumar Singh) whereas M/s Camson Farm Produce P. Ltd. acquired 8,10,540 shares (5,69,600 shares from Ms. Sangeeta K. Shetty and 2,40,940 shares from Mr. Jamuna Prasad). As a result of this acquisition, it is alleged that the total shareholding of Persons acting in Concert at the end of September 2009 was 65,39,070 shares, amounting to 47.73% of the total share capital (1,37,00,000) of the Company, leading to an increase of 10.22% in the total shareholding of Persons acting in Concert.

5. An e-mail was sent by the SEBI to Integrated Enterprises (India) Limited, the Registrar and Transfer Agent of the Company (hereinafter, "RTA") on May 09, 2016 to provide the details of shares transferred / received in physical form and details of shares dematerialized / re-materialized by M/s Camson Farm Prouce P. Ltd. and M/s Sanatan Herbals and Naturals Ltd. for the period December 01, 2008 to September 31, 2013. In its reply dated May 13, 2016, the RTA provided SEBI list of transfers of the said entities. As per the information provided by the RTA, Certificates No. 55414, 55404, 55403 and 55416 list out the details of transactions mentioned in the allegations mentioned in Para 4 hereinabove. A copy of the exchange of e-mail dated May 13, 2016 along with the attachment listing out alleged transfers has been enclosed herewith as **Annexure 2**.

6. During further investigation, it was observed that the total shareholdings of the Persons acting in Concert at the end of December 2010 was 50,98,670 shares, amounting to 31.77% of total share capital (1,60,50,000 shares) of the Company. It is thereafter alleged that on March 14, 2011, M/s Shashtika Hotels and Resorts P. Ltd. as well as Mr. Dhirendra Kumar were allotted 9,90,000 shares each as a result of conversion of warrants. Consequent to

this acquisition, it is alleged that the total shareholding of Persons acting in Concert at the end of March 2011 was 70,78,670 shares, amounting to 39.04% of the total share capital (1,81,30,000) of the Company, leading to an increase of 7.27% in the total shareholding of Persons acting in Concert.

7. In its e-mail dated May 18, 2016 to SEBI, the RTA provided details of allotment of shares as alleged in the Para 6 hereinabove. A copy of the e-mail along with the share allotment details is enclosed herewith as **Annexure 3**.

8. Under Regulation 11(1) of the SAST Regulations, an acquirer, who along with the persons acting in concert with him has acquired 15% or more but less than 55% of the shares or voting rights in a company is required to make a public announcement to acquire shares in case if he, either by himself or through persons acting in concert acquires additional shares or voting rights entitling him to exercise more than 5% of the voting rights. In terms of Regulation 14(1) of the SAST Regulations, such public announcement under Regulation 11(1) of the SAST Regulations has to be made within 4 days of entering into an agreement for acquisition of shares or voting rights or deciding to acquire shares or voting rights.

9. Since both the acquisition dated July 16, 2009 as well as March 14, 2011 were in excess of 5% of shares / voting rights, the Noticee was under a statutory obligation to make a public announcement to acquire shares. To ascertain if there were any open offers made in the scrip of the Company during the period December 31, 2007 to September 30, 2013, an e-mail dated July 12, 2016 was sent to the Corporate Finance Department of SEBI. Vide e-mail dated July 12, 2016, the Corporate Finance Department of SEBI informed that no open offer was received in the scrip of the Company during the period December 31, 2007 to September 30, 2013. A copy of the e-mail communication has been enclosed herewith as **Annexure 4**.

10. In view of the alleged failure of the Noticee in making a public announcement to acquire shares, it is alleged that Noticee has violated the provisions of Regulation 11(1) read with Regulation 14(1) of SAST Regulations read with Regulation 35 of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011. The texts of the said provisions are reproduced as under :-

SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997

Consolidation of holdings.

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.

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Timing of the public announcement of offer.

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:

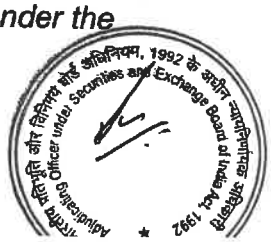
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SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

Repeal and Savings.

35.(1) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, stand repealed from the date on which these regulations come into force.

(2) Notwithstanding such repeal,—
(a) anything done or any action taken or purported to have been done or taken including comments on any letter of offer, exemption granted by the Board, fees collected, any adjudication, enquiry or investigation commenced or show-cause notice issued under the



repealed regulations, prior to such repeal, shall be deemed to have been done or taken under the corresponding provisions of these regulations;
(b) the previous operation of the repealed regulations or anything duly done or suffered thereunder, any right, privilege, obligation or liability acquired, accrued or incurred under the repealed regulations, any penalty, forfeiture or punishment incurred in respect of any offence committed against the repealed regulations, or any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment as aforesaid, shall remain unaffected as if the repealed regulations has never been repealed;
(c) any open offer for which a public announcement has been made under the repealed regulations shall be required to be continued and completed under the repealed regulations.

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11. The alleged violations of the aforesaid provisions, if established, would make you liable for penalty under Section 15H of the SEBI Act, 1992, text of which is reproduced as under:-

*"15H. **Penalty for non-disclosure of acquisition of shares and takeovers-***
If any person, who is required under this Act or any rules or regulations made thereunder, fails to,—
(i)disclose the aggregate of his shareholding in the body corporate before he acquires any shares of that body corporate; or
(ii)make a public announcement to acquire shares at a minimum price; or
(iii) make a public offer by sending letter of offer to the shareholders of the concerned company; or
(iv)make payment of consideration to the shareholders who sold their shares pursuant to letter of offer,
he shall be liable to a penalty which shall not be less than ten lakh rupees but which may extend to twenty-five crore rupees or three times the amount of profits made out of such failure, whichever is higher.."

12. Therefore, you are called upon to show cause as to why an inquiry should not be held against you in terms of Rule 4 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 read

with Section 15-I of the SEBI Act, 1992 and why penalty, if any, should not be imposed on you under Section 15H of the SEBI Act, 1992 for the aforesaid alleged violations.

13. Your reply, if any, should reach the undersigned, at the address given below, within 14 days from the date of receipt of this Notice, failing which it shall be presumed that you have no reply to submit and the matter would be further proceeded with on the basis of the evidence available on record in terms of Rule 4 (7) of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995. You may also send your reply by way of e-mail to rachnaa@sebi.gov.in. In case if you desire to avail the opportunity of personal hearing, you may indicate the same in your reply.

Securities and Exchange Board of India,
5th Floor, NCL Building, Plot No. C-6, 'E' Block
Bandra Kurla Complex, Bandra (East)
Mumbai- 400 051

14. You are required to keep the undersigned informed about any change in your correspondence address till the conclusion of this proceedings. You are also required to submit a photocopy of your Income Tax Permanent Account Number Card (PAN card), contact details viz. Name of Person (s) with designation, current Telephone / Fax Numbers / E-mail IDs for records.



RACHNA ANAND
ADJUDICATING OFFICER

Enclosures: as above