ADJUDICATION ORDER NO. JS/DJ/19 /2017

UNDER SECTION 15-I OF SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH RULE 5 OF SEBI (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES BY ADJUDICATING OFFICER) RULES, 1995 AND UNDER SECTION 23-I (1) OF SECURITIES CONTRACTS (REGULATION) ACT, 1956 READ WITH RULE 5 OF SECURITIES CONTRACTS (REGULATION) (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PEENALTIES BY ADJUDICATING OFFICER) RULES, 2005

In respect of:

HRB Floriculture Limited
(PAN: AAACH5564R)
A-28, Ram Nagar, Shastri Nagar,
Jaipur, Rajasthan – 302016

In the matter of HRB Floriculture Limited

BACKGROUND

1. Securities and Exchange Board of India (hereinafter referred to as "**SEBI**") observed that certain disclosures which ought to have been made by HRB Floriculture Limited (hereinafter, also referred to as "**Noticee**") to the Stock Exchange i.e, BSE, in terms of relevant provisions as mentioned in following table, were made with substantial delay. In this regard, nature of findings along with alleged violations of relevant provisions are as follows:

Findings in brief	**Alleged violations of provisions**
i) Annual disclosures for period March 1998 to March 2011, required to be made within 30 days from the end of each financial year under Regulation 8(3) of SEBI (Substantial Acqusition of Shares and Takeovers) Regulations, 1997, were made with substantial delay, on January 30, 2012. ii) Quarterly disclosures for period quarter ended June 2006 to September 2011, required to be made within 21 days from end of the each quarter under the Clause 35 of erstwhile Listing Agreement, were made with substantial delay on January 30, 2012	i) Regulation 8(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (hereinafter, referred to as "**SAST Regulations**") ii) Clause 35 of the erstwhile Listing Agreement read with Regulation 31 of SEBI (Listing obligation and disclosure requirements) Regulations, 2015 (hereinafter, referred to as "**LODR Regulations**") and section 21 of Securities Contracts (Regulation) Act, 1956

2. Thus, it has been alleged that the respective provisions as mentioned in the preceding table have been violated by the Noticee. SEBI initiated the adjudication proceedings against the Noticee to inquire and adjudge under section 15A(b) of SEBI Act, 1992 (hereinafter, referred to as "**SEBI Act**") and under Section 23H of Securities Contract Regulation Act, 1956 (hereinafter, referred to as "**SCR Act**") the alleged violations as mentioned above.

APPOINTMENT OF ADJUDICATING OFFICER

3. SEBI vide order / communique dated May 19, 2016, under Section 19 of the SEBI Act read with Section 15I(1) of the SEBI Act and Rule 3 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter, referred to as "**Adjudication Rules under SEBI Act**") and Section 23(I) of the SRA

Act and Rule 3 of the Securities Contracts (Regulation) (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 2005 (hereinafter, referred to as "**Adjudication Rules under SCR Act**"), appointed an Adjudicating Officer to inquire into and adjudge under Section 15A(b) of the SEBI Act and under Sections 23H of the SCR Act, the alleged violations as mentioned above.

4. Consequent upon change in Adjudicating Officers, the instant matter was transferred to the present Adjudicating Officer vide order / communique dated June 27, 2017, to inquire into and adjudge under the provisions as mentioned in the original appointment of Adjudicating Officer.

SHOW CAUSE NOTICE, WRITTEN SUBMISSIONS, PERSONAL HEARING

5. Show Cause Notice No. SEBI/HO/EAD-8/JS/DJ/OW/P/22195/1/2017 dated September 13, 2017 (hereinafter referred to as "**SCN**") was issued to the Noticee, mentioning the allegations against the Noticee and to show cause as to why an inquiry should not be held and penalty be not imposed under Section 15A(b) of SEBI Act and Section 23H of SCR Act for the aforesaid alleged violations against the Noticee.

6. Noticee, vide letter dated September 21, 2017 submitted its reply to the SCN. Key submissions from the same are as follow:

"Trading in the shares of the company remains suspended from 2002 to 2012 on account of non-payment of listing fees.

From 1998 to 2002, the Company was not given any notice by the Stock Exchange about the non-compliance of regulation 8(3) of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997.

There has been no change in the percent shares or voting rights of the persons referred to in the aforesaid regulation 8(3) after the coming into force of the aforesaid regulations, thus the annual disclosure was not required.

It is submitted that the shareholding of the persons referred to in the aforesaid regulation has been consistent and there has been no change whatsoever, hence the disclosure in terms of Regulation 8(3) was not required. Moreover, since its order dated 07.04.2017, therefore, the promoters (subject to the outcome of the appeal before the Securities Appellate Tribunal wherein the order dated 07.04.2017 is under challenge) remained the same and so also the shareholding.

Be that as it may, the company has complied with the requirement as suggested by the BSE while approving its application for revocation of suspension of trading of the shares, which provided for the filing for year 1998 to 2011.

As far as requirement of filing of quarterly disclosures for the period ended June 2006 to September, 2011 is concerned, it is respectfully submitted that at the time when the default occurred, the trading in the shares of the company was suspended and as soon as the Bombay Stock Exchange pointed out that the company is required to file shareholding pattern in pursuance of the clause 35 of the Listing Agreement, the company forthwith filed the shareholding pattern as per the format applicable. It may be pointed out that there has been no significant transfer of

shares (less than 1%) during the period June 2006 to September 2011 and therefore the filing of the quarterly disclosure during the aforesaid period would not have any bearing on the interest of the investors or other stakeholders of the company. It may be relevant to note that in the event of no significant change in the shareholding of the non-promoter category, filing of the same shareholding pattern would have been a mere formality, the consequences of the non-filing, therefore, is not fatal. It is therefore humbly submitted that a lenient view against the company is expected from the adjudicating authority while dealing with the issue in question.

It may be noted that the shareholding of the company has already been scrutinised by the SEBI and in respect of which an order dated 7-4-2017 has already been passed and while scrutinizing the records of the company before passing of the order dated 7-4-2017, no query was raised by the SEBI for the aforesaid period (1998 t0 2012) and therefore a person cannot be vexed twice when the said issue could have been raised in the first round itself. The aforesaid show cause notice is therefore barred by order 2 rule 2 of the Civil Procedure Code.

In view of the aforesaid, you are requested to taken the reply or record and withdraw the show cause notice dated 13-9-2017."

7. Vide hearing notice dated October 9, 2017 issued to the Noticee, an opportunity of personal hearing was granted on October 26, 2017. Noticee requested to postpone the hearing to any date after November 21, 2017. In this regard, Noticee was given another date of hearing on November 8, 2017, which on the request of the Noticee, rescheduled to November 3, 2017. Authorised Representatives of the Noticee availed the hearing on November 3, 2017, made oral submissions also submitted further written submissions of the Noticee. Key submissions from the said further written submissions are as follows:

"The Show Cause Notice has been issued to the noticee company on 13-9-2017 after a period of more than 6 years, the Show Cause Notice therefore is clearly barred by the Limitation and the same also suffers from the vice of delay, latches and acquiescence. Admittedly the annual disclosure and quarterly disclosure were filed in January, 2012 before the Bombay Stock Exchange Limited and the same were available at the website of the BSE from that date only. Hence, the Show Cause Notice issued deserves to be quashed at the stage only.

It may be noted that the shareholding of the company has already been scrutinized by the SEBI and in respect of which an order dated 7-4-2017 has already been passed and while scrutinizing the records of the company before passing of the order dated 7-4-2017, no query was raised by the SEBI for the aforesaid period (1998-2012) and therefore a person cannot be vexed twice when the said issue could have been raised in the first round itself. The aforesaid show cause notice is the first round itself. The aforesaid show cause notice is therefore barred by order 2 rule 2 of the Civil Procedure Code.

That it is pertinent to note that the Bombay Stock Exchange Limited chose not to give any notice to the noticee nor charge any filing charges for delay in filing of the Annual Disclosure and Quarterly and therefore, the Show Cause Notice by the SEBI Is wholly unjustified.

That trading in shares of the company remained suspended from 2002 to 2012 on account of non-payment of listing fees. Without prejudice to the above, it is submitted that from 1998 to 2011, the Company was not given any notice by the Stock Exchange about the non-compliance of regulation 8(3) of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997. Moreover, as regulation 8(3) of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997 , every company whose shares are listed on a stock exchange, shall within 30 days from the financial

year ending March 31, as well as the record date of the company for the purposes of declaration of dividend, make yearly disclosures to all the stock exchange on which the shares of the company are listed, the changes, if any, in respect of the holdings of the persons referred to under sub-regulation (1) and also holding of promoters or persons(s) having control over the company as on 31st Match.

It may be brought to your kind attention that there has been no change in the percent shares or voting rights of the persons referred to in the aforesaid regulation 8(3) after the coming into force of the aforesaid regulations, thus the annual disclosure was not required. It is submitted that the shareholding of the persons referred to in the aforesaid regulation has been consistent and there has been no change whatsoever, hence the disclosure in terms of Regulation 8(3) was not required. Moreover, since the SEBI has already denied the change in the promoter's category vide its order dated 07.04.2017, therefore, the promoters (subject to the outcome of the appeal before the Securities Appellate Tribunal wherein the order dated 07.04.2017 is under challenge) remained the same and so also the shareholding.

As far as requirement of filing of quarterly disclosures for the period ended June 2006 to September 2011 is concerned, it is respectfully submitted that at the time when the default occurred, the trading in the shares of the company was suspended and as soon as the Bombay Stock Exchange pointed out that the company is required to file shareholding pattern in pursuance of the clause 35 of the Listing Agreement, the company forthwith file the shareholding pattern as per the format applicable. It may be relevant to note that in the event of no significant change in shareholding of the non-promoter category, filing of the same shareholding pattern would have been a mere formality, the consequences of the non-filing, therefore, is not fatal.

From the aforesaid it is abundantly clear that during the relevant period:
a)there was trading of shares of only 100 shares since 2001 till date, therefore no disproportionate gain or unfair advantage had been taken by the Company or its promoters;
b)there is no loss caused to an investor or group or group of investors in that period;
c)at the time of revocation the company had submitted al necessary documents and disclosed all information required by BSE, after satisfying with the same SBE has revoked the suspension of the company

It may be noted that vide circular no. 30-Nov-2015, SEBI has delegated the powers to the Stock Exchanges to impose fines in case of non-compliances of SEBI(Listing Obligations and Disclosure Requirements) Regulations 2015. Therefore, initiation of proceedings by SEBI for imposition of fine is not justifiable.

Noticee company is not doing any substantial business, and does not hold any liquid assets. The net worth of the company is only Rs.40,27,080/- as on 30-6-2017. Since 2001 till date, 100 shares have been traded in the market at BSE Limited. We reiterate therefore that no loss is caused to an investor or group or group of investors in that period. Thus, the issues of Show Cause Notice is completely unjustified."

CONSIDERATION OF ISSUES AND FINDINGS

8. Before coming to the core issues for the proceedings, it would be worthwhile to deal with the technical issues raised by the Noticee.

9. One issue raised by the Noticee is that "*shareholding of the company has already been scrutinized by the SEBI and in respect of which an order dated 7-4-2017 has already been passed and while scrutinizing the records of the company before passing of the order dated 7-4-2017, no query was raised by the SEBI for the aforesaid period (1998-2012) and therefore a person cannot be vexed twice when the said issue could have been raised in the first round itself."*

10. In this regard, based on material on record, it is noted that present matter referred for adjudication deals with alleged violations involving delay by the Noticee in filing annual and quarterly disclosures and the same has not been dealt in the said separate proceedings quoted by Noticee. The proceedings of SEBI dated April 07, 2017 deal with the matter of non compliance with the provisions of minimum public shareholding, thus the two proceedings are innately different on the cause of action itself and thus the present proceedings are fit to continue.

11. As regards the Noticee's argument alleging delay in commencing the proceedings wherein Noticee has contended that *Show Cause Notice has been issued to the noticee company on 13-9-2017 after a period of more than 6 years, the Show Cause Notice therefore is clearly barred by the Limitation and the same also suffers from the vice of delay, latches and acquiescence*. It is matter of records that alleged violation against the Noticee came to the notice of SEBI in mid 2014 and consequent to the findings, present adjudication proceedings were initiated in May 2016. Further, it is to be mentioned that under the SEBI Act there is no limitation on initiation of adjudication proceedings for violation of various provisions of Act and Regulations made thereunder.

12. The Noticee has cited the SOP circular dated November 20, 2015 stating that the Stock Exchange has the authority under the provisions and thus the present proceedings cannot be initiated. In this respect it is clearly mentioned at two and three of the said circular that it merely lays down the mechanism for enforcement in case it observes violations. The present proceedings are under the SEBI Act and SCRA and the provisions of the above circular does not abrogate the authority of SEBI to initiate the present proceedings.

13. Having settled the technical issues, the issues as set forth in the SCN, and the reply of the Noticee to SCN, submissions made in the personal hearing, further written submissions of the Noticee and other material, if any, on record, culminate in the consideration in the following:
    a) Whether the Noticee has violated the provisions of Regulation 8(3) of SAST Regulations and clause 35 of the erstwhile listing agreement read with Section 21 of the SCR Act?
    b) If yes, does the violation attract monetary penalty under Section 15A(b) of the SEBI Act and Section 23H of SCR Act?
    c) If yes, what quantum of monetary penalty should be imposed on the Noticee taking into consideration the factors mentioned in Section 15J of the SEBI Act and Section 23J of SCR Act?

FINDINGS

Issue – a) Whether the Noticee has violated the provisions of Regulation 8(3) of SAST Regulations and clause 35 of the erstwhile listing agreement read with Section 21 of the SCR Act?

14. Following are the two key findings in respect of the Noticee resulting into alleged violations by the Noticee:

    a) Annual disclosures for period March 1998 to March 2011, required to be made within 30 days from the end of each financial year under Regulation 8(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, were made with substantial delay, on January 30, 2012.

    b) Quarterly disclosures for period quarter ended June 2006 to September 2011, required to be made within 21 days from end of the each quarter under the Clause 35 of erstwhile Listing Agreement read with section 21 of the SCR Act, were made with substantial delay on January 30, 2012

15. As regards to the alleged violation of regulation 8(3) of SAST Regulations, Noticee in its reply to SCN submitted that it has complied with the requirement as suggested by the Stock Exchange while approving its application for revocation of suspension of trading of the Shares which provided for the filing for the year 1998 to 2011. However, Noticee has contended that *there has been no change in the percent shares or voting rights of the persons referred to in the aforesaid regulation 8(3) after the coming into force of the aforesaid regulations, thus the annual disclosure was not required. It is submitted that the shareholding of the persons referred to in the aforesaid regulation has been consistent and there has been no change whatsoever, hence the disclosure in terms of Regulation 8(3) was not required.*

16. To understand the requirement of filing the said annual disclosure, it is important to refer Regulation 8(3) of SAST Regulations, which reads as follows:

> ***8 (3)*** *Every company whose shares are listed on a stock exchange, shall within 30 days from the financial year ending March 31, as well as the record date of the company for the purposes of declaration of dividend, make yearly disclosures to all the stock exchanges on which the shares of the company are listed, the changes, if any, in respect of the holdings of the persons referred to under sub-regulation (1) and also holdings of promoters or person(s) having control over the company as on 31st March.*

From the reading of the above provision it is noted that following information is required to be filed in the annual disclosure to the Stock Exchange:

a) the changes, if any, in respect of the holdings of the persons referred to under sub-regulation (1) and also
b) holdings of promoters or person(s) having control over the company as on 31st March.

17. It is clear that even if there is no change in holdings of the persons referred to under sub-regulation (1), the *"holdings of promoters or person(s) having control over the company as on 31st March"* has to be disclosed to Stock Exchange under regulation 8(3) of the SAST Regulations within stipulated time i.e, within 30 days of end of financial year on 31st March. It is established that the annual disclosures for each year during years ending March 1998 to March 2011 which were required to be filed within one month after 31st March in each such years, were actually filed by the Noticee on January 30, 2012. Hence, Noticee by making substantial delay in filing the said annual disclosures, has violated Regulation 8(3) of SAST Regulations.

18. As regards alleged violation of clause 35 of the erstwhile listing agreement read with Section 21 of the SCR Act, Noticee, though has not contended the violation, however, mentioned that during default period its shares were under suspension at Stock

Exchange, and as soon Stock Exchange pointed out that the Noticee is required to file shareholding pattern under clause 35 of listing agreement, Noticee filed the shareholding pattern as per the format applicable. Noticee has also mention in its submission that filing of disclosure under clause 35 would have been a mere formality, as there were only 100 shares traded during the default period and there was no significant change in shareholding of non-promoter category.

19. To understand the requirement of filing the said quarterly disclosure, it is important to refer clause 35 of the erstwhile listing agreement (relevant provision in force during the period of default) read with Section 21 of the SCR Act, which read as follows:

Clause 35 of erstwhile listing agreement

35. *The issuer 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"

Section 21 of the SCR Act

21. *Where securities are listed on the application of any person in any recognised stock exchange, such person shall comply with the conditions of the listing agreement with that stock exchange*

20. It is clear that clause 35 of erstwhile listing agreement put necessary requirement for a listed company to file required disclosure to Stock Exchange within 21 days from end of each quarter, and for that matter, changes in shareholding, whether significant or insignificant, is not a factor to be considered. Under section 21 of the SCR Act, listed company is required to comply with the conditions of the erstwhile listing agreement. It is established that the disclosures required to be filed within twenty one days after end of each quarter ended June 2006 to September 2011, were actually filed by the Noticee on January 30, 2012. Hence, by making substantial delay in filing the required quarterly disclosures, Noticee has violated clause 35 of the erstwhile listing agreement read with Section 21 of the SCR Act.

21. It has been contended by the Noticee that the exchange while revoking the suspension in 2012 did not bring it to its notice the non-compliance with the provisions of the Listing agreement and the SAST provisions. It is to be mentioned that the obligations is cast on the company to comply with the provisions, the Noticee is required to be compliant with the requisite provisions and just that someone has not pointed out the non-compliance, and this cannot be used as an excuse to absolve itself of consequences for non-compliance.

22. Further it is to be mentioned that the company has sought to excuse itself from the compliance with the aforesaid provisions stating that the securities of the company were suspended on the BSE for non-payment of the listing fee. However in this respect it is clear that while suspension of securities by Exchange cannot be an excuse for non-compliance with provisions of the listing agreement, which in any case the Noticee was obliged to comply with.

23. Hon'ble Securities Appellate Tribunal in *Ashok Jain V. SEBI* (*Appeal no. 79 of 2014 decided on June 09, 2014*), had also observed that: "..... *Under SAST Regulations, 1997 as also under SAST Regulations, 2011 disclosures are liable to be made within specified days irrespective of the scrip being traded on the Exchange or not. Similarly, disclosures have to be made irrespective of whether investors have suffered any loss or not on account of non-disclosure within the time stipulated under those regulations..."*

24. As regards the delayed disclosures made, it is noted that the Hon'ble Securities Appellate Tribunal in the matter of *Yogi Sungwon (India) Ltd.* Vs *SEBI* dated May 04, 2001 in the appeal No. 36 of 2000 has observed that: "…….*that when mandatory time period is stipulated for doing a particular activity, completion of the same after that period would constitute default in compliance and not delay."*

25. Given the above it is clearly set out that the entity was in violation of the provisions as charged.

Issue b) - If yes, does the violation attract monetary penalty under Section 15A(b) of the SEBI Act and Section 23H of SCR Act?

26. Given the established violation as above, it is now to be determined whether the present matter is fit case for imposing monetary penalty.

27. Hon'ble Supreme Court of India in the matter of SEBI Vs. Shri Ram Mutual Fund [2006] 68 SCL 216(SC) held that "*In our considered opinion, penalty is attracted as soon as the contravention of the statutory obligation as contemplated by the Act and the Regulations is established……".*

28. As regards the contention that due to non-disclosures no loss has been caused to the investors, Hon'ble Securities Appellate Tribunal (SAT) in the matter of Komal Nahata Vs. SEBI dated January 27, 2014 held that: *"Argument that no investor has suffered on account of non-disclosure ……..is without any merit because firstly penalty for non-compliance of SAST Regulations, 1997 and PIT Regulations, 1992 is not dependent upon the investors actually suffering on account of such non-disclosure."*

29. Thus it is determined that the Noticee is liable for monetary penalty under Section 15A(b) of SEBI Act and Section 23H of SCR Act, which reads as follows:

Section 15A(b) of SEBI Act

> ***15A.*** *If any person, who is required under this Act or any rules or regulations made thereunder,—*
> *…….*
> ***(b)*** *to file any return or furnish any information, books or other documents within the time specified therefor in the regulations, fails to file return or furnish the same within the time specified therefor in the regulations, he shall be liable to a penalty which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees;*

Section 23H of SCR Act

> ***23H.*** *Whoever fails to comply with any provision of this Act, the rules or articles or bye- laws or the regulations of the recognised stock exchange or directions issued by the Securities and Exchange Board of India for which no separate penalty has been provided, shall be liable to a penalty which shall not be less than one lakh rupees but which may extend to one crore rupees.*

Issue c) - If yes, what quantum of monetary penalty should be imposed on the Noticee taking into consideration the factors mentioned in Section 15J of the SEBI Act and Section 23J of SCR Act?

30. While determining the quantum of penalty under section 15A(b) of SEBI Act and section 23H of the SCR Act, it is important to consider the factors stipulated in section 15J of SEBI Act and section 23J of the SCR Act read with rule 5(2) of the Adjudication Rules under SEBI Act and Adjudication Rules under SCR Act, which have common read as under:-

> ***Section 15J of SEBI Act and section 23J of the SCR Act - Factors to be taken into account by the Adjudicating Officer***
>
> *While adjudging quantum of penalty under section 15-I of SEBI Act / section 23-I of SCR Act , 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."*

31. ***Hon'ble Securities Appellate Tribunal*** vide its order (***appeal no. 261 of 2017***) dated October 30, 2017 in the matter of ***Abhimanyu Exports Ltd vs SEBI***, held that "*Argument advanced on behalf of the appellant that the penalty imposed against the appellant deserves to be deleted or reduced is without any merit, because, in the present case, failure of the appellant to make annual disclosures relates to 12 financial years. Thus, 12 violations have been committed by the appellant and in view of inordinate delay in complying with the provisions contained in regulation 8(3) of the Takeover Regulations, 1997 the penalty imposable under Section 15A(b) of SEBI Act was Rs.1 crore for each year. Thus, as against the penalty of Rs.12 crore imposable in relation to 12 violations, the AO after considering all mitigating factors has imposed a penalty of Rs. 10 lac which cannot be said to be excessive or exorbitant."*

32. It is on records that Noticee has an adverse standing with compliance with regulatory provisions as mentioned in Order of SEBI dated April 07, 2017.

33. The material made available on record neither reveals nor specify disproportionate gains/ unfair advantage made by the Noticee, the specific loss suffered by the investors due to violations by the Noticee. However, it is pertinent to note that the violations by the Noticee are repetitive and the delay in filing required disclosures have accumulated over the period of time. It is important to note that timely disclosure of information, as prescribed under the relevant provisions, is an important regulatory tool intended for proper functioning of the securities market and failure to do so results in preventing investors from taking well informed decision. Therefore, taking into consideration the facts / circumstance of the case and above factors, I am of the view that a justifiable penalty needs to be imposed upon the Noticee to meet the ends of justice.

ORDER

34. In view of the above, after taking into consideration all the facts and circumstances of the case, and after considering the factors enumerated in section 15Jof the SEBI Act and Section 23J of SCR Act, I impose following penalty upon the Noticee HRB Floriculture Ltd:

    a) Rs.13,00,000/ -(Rupees Thirteen Lakh only) under the provision of Section 15A(b) of SEBI Act.
    b) Rs. 7,00,000/ -(Rupees Seven Lakh only) under the provision of Section 23H of the SCR Act.

    which shall be commensurate with the violations established.

35. The Noticee shall remit / pay the said amount (total amount Rs.Twenty Lakh only) of penalty within 45 (forty five) days of receipt of this order either by way of Demand Draft (DD) in favour of "SEBI - Penalties Remittable to Government of India", payable at Mumbai, or through e-payment facility into Bank Account, the details whereof are as follows:-

Account No. for remittance of penalties levied by Adjudication Officer	
Bank Name	State Bank of India
Branch	Bandra Kurla Complex
RTGS Code	SBIN0004380
Beneficiary Name	SEBI – Penalties Remittable To Government of India
Beneficiary A/c No.	31465271959

36. The Noticee shall forward said Demand Draft or the details / confirmation of penalty so paid through e-payment to the Division Chief, Enforcement Department 1, Division of Regulatory Action - IV [EFD1-DRA-IV], SEBI Bhavan, Plot No.C4-A,' G' Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051. The Format for forwarding details / confirmations of e-payments made to SEBI shall be in the form as provided at Annexure A of Press Release No. 131/2016 dated August 09, 2016 shown at the SEBI Website which is produced as under;
    1. Case Name :
    2. Name of Payee:
    3. Date of payment:
    4. Amount Paid:
    5. Transaction No:
    6. Bank Details in which payment is made:
    7. Payment is made for: (like penalties/disgorgement/recovery/Settlement amount and legal charges along with order details)

37. In terms of rule 6 of the SEBI Adjudication Rules, copies of this order is being sent to the Noticee and also to the SEBI.

Date: November 27, 2017
Place: Mumbai

Jeevan Sonparote
Adjudicating Officer