BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER NO. PKB / AO-15 / 2011]

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

In respect of

CAPSUGEL HEALTHCARE LTD.
(FORMERLY KNOWN AS BHARTI HEALTHCARE LIMITED)
PAN: AAACB6447R

In the matter of

BHARTI HEALTHCARE LTD.

I. BACKGROUND

1. Securities and Exchange Board of India (hereinafter referred to as "SEBI") forwarded the complaints received from shareholders of the Capsugel Healthcare Ltd. (formerly known as Bharti Healthcare Ltd.) (hereinafter referred to as "Noticee") to Bombay Stock Exchange (hereinafter referred to as "BSE") wherein it was alleged that Bharti Overseas Trading Co. Ltd. (hereinafter referred to as "BOTC") had made public announcement to acquire 16,77,959 shares i.e. 18.76% of the paid up share capital of the Noticee and then to delist the shares of the Noticee, exit price of which was finalized at Rs. 83 per share. It was alleged that the Noticee indulged into manipulation by transferring sufficient number of shares at a price ranging from Rs. 90 to Rs. 105 to different entities and it is out of these shares that the offers have been sent by Noticee nominees @ Rs. 82 so that BOTC may fix a low exit price of Rs. 83/-.

2. The other complaint received by SEBI alleged that the promoters of the Noticee sold 9% shares and then announced the intention to buy all the shares through delisting. These shares were then tendered at the minimum offer price thus making the offer successful and denying the other shareholders any premium. Thus the promoters managed to forcefully delist the shares from BSE at the reserve price without paying the true value to the minority shareholders and in the process got enriched. The Complaint also alleged that the sale of above-mentioned 9% shares was not informed to the Stock Exchange as required under SEBI (Substantial Acquisition of Shares & Takeover) Regulations, 1997 (hereinafter referred to as "Takeover Regulations") and SEBI (Prohibition of Insider Trading) Regulations, 1992 (hereinafter referred to as "PIT Regulations").

3. Subsequently, SEBI conducted investigation into the alleged irregularity in the trading in the shares of the Noticee for the period from 17th February 2005 to 14th July 2005 (hereinafter referred to as "Investigation Period").

4. Shri D. Sura Reddy was appointed as the Adjudicating Officer vide Order dated October 4, 2007 to inquire into and adjudge under section 15A(b) of SEBI Act, 1992 (hereinafter referred to as "Act") the alleged violation of Regulation 13(6) of PIT Regulations by the Noticee.

5. Pursuant to the transfer of Shri D. Sura Reddy, the undersigned has been appointed as the Adjudicating Officer vide Order dated December 10, 2008.

II. SHOW CAUSE NOTICE, REPLY AND PERSONAL HEARING

6. Show Cause Notice (hereinafter referred to as "SCN") dated January 18, 2008 was issued to the Noticee under Rule 4(1) of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (hereinafter referred to as "Adjudication Rules"). The Noticee replied to the SCN vide letter dated February 1, 2008.

7. However, subsequently, a fresh SCN dated April 20, 2010 was issued to the Noticee, vide which the Noticee was informed that the Notice dated January 18, 2008 stood withdrawn and in light of the same, Noticee's

subsequent reply dated February 1, 2008 also became infructuous. The Noticee was informed that the Adjudication Proceedings shall be deemed to have commenced in respect of Noticee with the issuance of Notice dated April 20, 2010 and the contents of the former Notice dated January 18, 2008 and Noicee's subsequent reply dated February 1, 2008 shall not be taken into account for the purpose of Adjudication Proceedings in respect of the Noticee in the present matter. The Noticee was also advised to make a fresh reply to the Notice dated April 20, 2010.

8. The Noticee vide letter dated May 4, 2010 acknowledged the receipt of the SCN dated April 20, 2010 and submitted that they were in the process of collating the required information in order to respond to the SCN and would revert shortly. Subsequently, the Noticee replied to the SCN vide letter dated May 13, 2010 and the same shall be dealt with while arriving at the Findings in the subsequent paragraphs.

9. Therefore, Notice of Inquiry dated January 14, 2011 was issued to the Noticee vide which the hearing was scheduled to be held on February 4, 2011. Mr. Deepak Diwan, Ms. Adarika Banerjee Advocates alongwith Mr. Narendra Nath Batabyal, Company Secretary & Legal Head of the Noticee attended the hearing and submitted that oral submissions made during the hearing would be reduced to writing and would be submitted by February 20, 2011. The Noticee duly sent the same vide letter dated February 16, 2011 and the same shall be dealt with while arriving at the Findings in the subsequent paragraphs.

III. ISSUES FOR CONSIDERATION AND FINDINGS:

10. On perusal of the material available on record, the Issue for consideration and my Findings are as follows:

Whether the Noticee has violated provisions of Regulation 13(6) of the PIT Regulations?

11. The provisions of Regulation 13(6) of the PIT Regulations read

Disclosure by company to stock exchanges.
Regulation 13(6): *Every listed company, within five days of receipt, shall disclose to all stock exchanges on which the company is listed, the information received*

under sub-regulations (1), (2), (3) and (4) in the respective formats specified in Schedule III.

12. The SCN observed that the promoters of the Noticee were totally holding 90% share capital [BOTC, Bharti Enterprises Pvt. Ltd. (hereinafter referred to as "BEPL") and Bharti Global ltd. (hereinafter referred to as "BGL") holding 4.07%, 38.91%, 47.02% respectively] as on quarter ended 31st December 2004, which was reduced to 81.93% (BOTC holding 81.93% whereas holding of BEPL and BGL became nil) as on quarter ended 31st March 2005. As per BSE Report, the Noticee filed disclosures under the Takeover Regulations on February, 28, 2005 with the Exchange for inter-se transfer of holding between BOTC proposing to acquire 75,16,129 shares accounting for 80.95% of the total paid up capital from BEPL (31,50,000 shares) and BGL (43,66,129 shares). Further, disclosures under Regulation 7 (1), 7 (3) and 8(3) of Takeover Regulations were also filed by the Noticee on March 11, 2005 and March 14, 2005 respectively for acquisition of 73,14,609 shares accounting for 78.77% by way of inter-se transfer from BEPL and BGL. On April 4, 2005, the Noticee filed disclosures under Reg. 8(3) of Takeover Regulations reflecting the above change in shareholding. However, it was observed that no disclosures were filed by the Noticee for dealing in the shares by promoter entities under Regulation 13(6) of the PIT Regulations. The change in shareholding pattern of the promoter entities is as follows:

Name of the Entity	**As on Quarter ended 31st March 2005**		**As on Quarter ended 31st December 2004**	
	No. of shares	% to total shares	No. of shares	% to total shares
Bharti Overseas Trading Co. Ltd.	7607389	81.93	377780	4.07
Bharti Enterprises Pvt. Ltd.	-	-	3612806	38.91
Bharti Global ltd.	-	-	4366129	47.02
Total promoter Holding	**7607389**	**81.93**	**8356715**	**90**

13. Further, it was noted that New Era Impex (India) Private Limited, Oriole Exports Pvt. Ltd. and Moonlight Continental Private Ltd were not appearing in the shareholding pattern as on quarter ended 31st December 2004. However, they were appearing in the shareholding pattern for quarter ended 31st March 2005 with the holding of 1.59%, 1.46% and 1.12% respectively which they purchased from the promoters. Shareholding of

the only promoter, BOTC increased to 92.76 % as on September 30, 2005 after the offer of acquisition of share.

14. The SCN further noted that the promoters submitted that sale of 749,326 (about 9%) equity shares of Noticee by BOTC and BEPL in February 2005 and up to third week of March 2005 was an independent transaction and was not in any manner connected to the subsequent decision to de-list the shares of the Noticee. They further stated that timely disclosures were made by BOTC and BEPL to the Noticee under the PIT Regulations for sale of equity shares of Noticee and copies of the disclosures were provided. However, as reported by BSE, the Noticee did not make these disclosures to the exchange.

15. Further, it was noted that the Noticee informed that disclosures under PIT Regulations with respect to the transactions which were not inter se promoter transactions, as per records available with them and as received from erstwhile promoters, were made to BSE. Capsugel Healthcare Ltd. provided the copies of postal receipts (U.P.C. mail). As observed from the copy of the documents submitted by the Noticee, these disclosures were made on three different dates March 4, 2005, March 10, 2005 and March 25, 2005. Therefore, the SCN observed that it was quite surprising that BSE did not receive any one of them and hence the Noticee's reply was not found to be satisfactory.

16. The Noticee vide letter dated May 13, 2010 submitted that

"At the outset, we submit that by and under a Share Purchase Agreement dated December 7, 2005 ("Agreement"), our company has acquired a de-listed company "Bharti Healthcare Limited" and pursuant to the transaction under the Agreement the entire Board of Directors of the company has been changed. Further, we have from time to time submitted all the information that was required from us and further request for condonation of technical default, if any.

It is respectfully submitted that the issues alleged in your Notice dated April 20, 2010 are materially similar to the issues listed in your notice dated January 18, 2008. In the circumstances our response dated February 1, 2008 to the notice dated January 18, 2008 should not be considered infructuous as mentioned in your Notice dated April 20, 2010, and our response thereto should continue to be kept on record and also be considered for all the proceedings which your good self may initiate.

We also request your good self for the reasons for withdrawal of the notice dated January 18, 2008, especially when there are no new grounds in the Notice dated April 20, 2010.

Without prejudice to the above, set out below is our parawise response in respect of the issues raised in your notice.

With reference to the contents of paragraph 1 of the Notice, we put you to the strict proof thereof. We state that by withdrawal of the notice dated January 18, 2008, the reply provided by Capsugel Healthcare Limited, formerly known as Bharti Healthcare Limited, ("the company") to the same does not become infructuous and the same should be treated as valid and be kept on record with full effect.

With reference to the contents of paragraph 2 of the Notice, we state that the allegations contained in the Notice have already been dealt with by us in our reply dated February 1, 2008 ***("Reply")*** *and hence the same should be taken into account and kept on record with full effect. However, as directed by your good self we are submitting the present response which may be taken on record in addition to the Reply of February 1, 2008. A copy of the previous notice dated January 18, 2008 and the reply dated February 1, 2008 is annexed herewith as* ***"Annexure 1 and "Annexure 2" respectively.***

With reference to the contents of paragraph 3 of the Notice, we state that the same is matter of record. We further state that all the allegations made by the then adjudication officer were against Bharati Healthcare Limited (the name of the company prior to change in name effected upon the acquisition by the present shareholders), which has been duly replied to, and the same ought not to have been raised under this Notice.

With reference to the contents of paragraph 4 of the Notice, we state that the same is matter of record and we repeat our stand as mentioned in clause 3 above.

With reference to the contents of paragraph 5 of the Notice, we state that the contents referred therein does not in any way relate to the company and it relates to its erstwhile shareholders, the company does not possess any knowledge about the action of its shareholders and their intensions behind such actions.

With reference to the contents of paragraph 6 of the Notice, we understand that the same relates to trading by the promoters for which we do not wish to offer any comments.

With reference to the contents of paragraph 7 of the Notice, the same is a matter of record.

With reference to the contents of paragraph 8 of the Notice, we state that the contents states about trading by the then promoters of the company. As indicated in our letter of February 1, 2008, the current management and shareholders of the company have acquired their shares subsequently and that too at the time when the shares of the company were de-listed.

With reference to the contents of paragraph 9 of the Notice, we state that the same is matter of record.

With reference to the contents of paragraph 10 of the Notice, the same is a matter of record by the promoters and the company can not be considered as a party to their affairs and their objective behind any action.

With reference to the contents of paragraph 11 of the Notice, it is respectfully submitted that the company also made timely disclosure to SEBI by way of sending the notice by post to BSE.

With reference to the contents of paragraph 12 of the Notice, it is respectfully submitted that the then promoters of the company, in good faith opted to completed the disclosure via U.P.C. and the same should not be considered as non-compliance by the company. The fact of 'non-receipt' by BSE of the post should not be construed as non disclosure on the part of the company.

With reference to the contents of paragraph 13 of the Notice, it is respectfully submitted that the company is in compliance with its obligations under SEBI (Prohibition of Insider Trading) Regulations, 1992 in as much as it had sent the disclosure by way of post and U.P.C. which has already been furnished to your predecessor in title.

With reference to the contents of paragraph 14 of the Notice, it is respectfully submitted that the company is not liable to pay any penalty and the proposed action against the company be dropped and the above notice be cancelled.

With reference to the contents of paragraph 15 of the Notice, we state that we have provided our response through this letter and by the Reply dated February 1, 2008 and in view of what is stated in our letter of February 1, 2008 and the above submissions it is submitted that the company is not in violation of provisions of SEBI Act and SEBI (Prohibition of Insider Trading) Regulations, 1992. Further the current management, Board of Directors, shareholders were not in any way connected with the company at the time the alleged violation are purported to have been committed. The current management, Board of Directors have been diligent in providing all the information to the extent it was available in the records of the company. It further had no malafied intention of circumventing law and depriving shareholder of any monetary gain or benefit. In the circumstances it is once again respectfully submitted that the proposed adjudication proceedings may be dropped and no penal action be taken against the company.

With reference to the contents of paragraph 16, we state that we have noted the instructions contained therein.

With reference to the contents of paragraph 17, we state that we have noted the instructions contained therein.

With reference to the contents of paragraph 18, we state that we have noted the contents thereof.

If you require any further information or explanation, we would be glad to furnish the same. It is humbly requested that if your good self desires to take an adverse view in the matter, an opportunity of personal hearing be granted to the company in this regard.

17. Further, the Noticee vide letter dated February 16, 2011 submitted that

1. *That Bharti Healthcare Limited ("the Company") was delisted from the Bombay Stock Exchange (BSE) under the Securities and Exchange Board of India w.e.f. 11th October, 2005.*

2. *Under a Share Purchase Agreement dated December 7, 2005 (**"Agreement"**), the present promoters of the Company acquired 92.7% shares of the Company and pursuant to the transaction under the Agreement the entire Board of Directors of the company has been changed. Further, we have from time to time submitted all the information that was required from us and further request for condonation of technical default, if any.*

3. *That the transaction of purchase of 92.76% shares took place on 20th December, 2005 pursuant to a Share Purchase Agreement executed on 7th December, 2005. The new management changed the name of the Company to Capsugel Healthcare Limited.*

4. *That your Letter dated 20th April, 2010 encompasses that the Company violated the provisions of Regulation 13(6) of the PIT Regulations with respect to the declaration in the shareholding pattern during the period from 31st December, 2004 to 31st March, 2005 as laid down in Para 13 of your letter. It is submitted that with reference to the above mentioned, the Company has already complied with its obligations under SEBI (Prohibition of Insider Trading) Regulations, 1992 in as much as it had sent the disclosures by way of post and the Certificate of Posting issued by the postal authorities has already been furnished to the Bombay Stock Exchange (BSE). The disclosure by U.P.C. and fact of non-receipt by BSE should not be construed as a non-disclosure on the part of the company. The Letters and the U.P.Cs were produced at the hearing held on 04.02.2011 and the copies are enclosed herewith as **Annexure A (Colly)** for your kind perusal.*

5. *Without prejudice to the above, we would like to state that the new management and the new Shareholders were not in any way connected with the company at the time the alleged violation are purported to have been committed. The management conducted due-diligence before it took control of the company and have taken endeavor to be diligent in providing all the information to the extent it was available in the records of the company.*
   As per the due-diligence report provided to the Company , it was established that the Stock Exchange had already delisted the Company w.e.f. 11th October, 2005. The mere fact that the Company was delisted was enough to give the new management an assurance that there would not be any regulatory non-compliances prior to the delisting (pertaining to the period before delisting) and the Stock Exchange have delisted the company only after it has been satisfied that all compliances have been met. We were legally advised by our legal advisor that 'delisting' tantamounts to giving a clean chit to the Company so far as the Stock Exchanges are concerned.

6. *Without prejudice to the above, we would like to state that the erstwhile promoters who bought and sold shares of the company have already settled the matter with SEBI relating to the pending adjudication and other proceedings for the penalties and prosecutions vide Consent Order of SEBI dated 22nd December, 2008. The copy of the Consent Order is enclosed herewith as **Annexure B** for your kind perusal.*

7. *That Company operates on high Corporate Ethical values and Professional Standards, and regulatory compliance is always top priority.*

We sincerely hope that above submission clarifies the position on the issue and the current management, the Board of Directors have been diligent in providing all the information to the extent it was available in the records of the company. It further had no malafide intention of circumventing law and/or depriving any shareholder of any monetary gain or benefit. In the circumstances it is once again respectfully submitted that the proposed adjudication proceedings may be dropped and no penal action be taken against the company.

If you require any further information or explanation/s, we would be submitting the same as per your direction.

18. The provisions of Regulation 13(6) of PIT Regulations requires the company to disclose to all stock exchanges on which the company is listed, the information received under sub-regulations (1), (2), (3) and (4). Therefore, I find that the provisions of Regulation 13(6) of PIT Regulations cast an obligation on the Noticee to make the said disclosures to BSE for the change in shareholding pattern during the period from December 31, 2004 to March 31, 2005. I also find that the Noticee has neither disputed the receipt of the information which was to be disclosed nor has disputed the presence of the obligation on it to make the said disclosure to BSE. In such a case, I find that the only issue for consideration is whether the Noticee has complied with the aforesaid obligation by making disclosure to the Stock Exchange under Regulation 13(6) of PIT Regulations.

19. From the above, I find that the SCN alleges that the Noticee did not make disclosures under the PIT Regulations to the BSE for the change in shareholding pattern during the period from December 31, 2004 to March 31, 2005 and the Noticee contends that it had duly complied with its obligations under the PIT Regulations as it had sent the disclosures by way of post and the certificate of posting was also enclosed. The Noticee also submitted that the disclosure by U.P.C. and fact of non-receipt by BSE should not be construed as a non-disclosure on the part of the company.

20. In view of the said allegation of non disclosure by the Noticee under PIT Regulations, the Noticee has only produced U.P.C as proof of compliance for its claim that it had made the required disclosures under the PIT Regulations and I find that the same is only proof of dispatch of the

claimed disclosure by Noticee and not proof of receipt of the same by the BSE. And the Noticee has not been able to produce any other evidence in support of receipt of these disclosures by BSE.

21. In this regard, I refer to the observations of The Hon'ble High Court at Calcutta in Writ Petition 331/2001 in the matter of Arun Kumar Bajoria v/s SEBI – Order dated March 27, 2001, relevant extracts of which read

"…… Therefore, it is obligatory on the part of the person so acquiring to inform the company. In what mode or manner such information should be given has not been prescribed. It has not also been mentioned that the subject information or disclosure must be given in writing. Such disclosure, therefore, may be made orally or through telephone or in writing transmitted in some known manner. The information or disclosure must, however, reach the company. In law, anyone sending written information through the agency of someone else appoints such agency as his agent. If a letter is posted, unless the law specifies, the Postal Authority acts as an agent of the sender. As appears to me, by law, in respect of two instances the post office is considered as the agent of the receiver of the letter. The first is in relation to acceptance of an offer and the second is in respect of a letter sent by registered post. In all other circumstances, the post office acts as a mere agent of the sender of the letter. The Certificate of Posting may be an evidence of engaging the Postal Authority as an agent of the sender to deliver the subject letter, but not the proof of receipt of the letter by the addressee. In the event, it is contended by the addressee that the letter has not been received by him, it must be established and if necessary through the agent that the letter has been received by the addressee. Merely because the letter was sent by post, it cannot be contended that the sender has discharged his obligations under Regulation 7 of the said Regulations as the said regulation cast the duty and obligation upon the acquirer to ensure receipt of the disclosure or information by the company concerned and argument contrary thereto is not acceptable. It is not permissible for the sender to contend that he has no control over the mode of transmission inasmuch as he has free choice of selecting the mode of transmission and for that purpose to engage a suitable agent."
(emphasis supplied)

22. In the light of the above, I find that it is the responsibility of the sender to establish and if necessary, through the agent, that the letter has been received by the addressee. In other words, in the instant case, the Noticee ought to have ensured that the communication reportedly sent by it had reached BSE. Thus, the burden of proving the delivery of the communication rests upon the Noticee. The Noticee could not produce any proof in support of delivery of the said communication to BSE.

Therefore, at best, the said receipts could be considered only as proof of dispatch and not of delivery. Besides I note that BSE has reported that the Noticee did not make these disclosures to the exchange. Therefore, I do not find merit in the submissions of the Noticee in this regard.

23. I also note that the Noticee has claimed that it had made the disclosures on three different dates March 4, 2005, March 10, 2005 and March 25, 2005 to BSE and its is surprising that BSE did not receive any one of them.

24. The Noticee has further submitted that

Without prejudice to the above, we would like to state that the new management and the new Shareholders were not in any way connected with the company at the time the alleged violation are purported to have been committed. The management conducted due-diligence before it took control of the company and have taken endeavor to be diligent in providing all the information to the extent it was available in the records of the company.
As per the due-diligence report provided to the Company, it was established that the Stock Exchange had already delisted the Company w.e.f. 11th October, 2005. The mere fact that the Company was delisted was enough to give the new management an assurance that there would not be any regulatory non-compliances prior to the delisting (pertaining to the period before delisting) and the Stock Exchange have delisted the company only after it has been satisfied that all compliances have been met. We were legally advised by our legal advisor that 'delisting' tantamounts to giving a clean chit to the Company so far as the Stock Exchanges are concerned.

Without prejudice to the above, we would like to state that the erstwhile promoters who bought and sold shares of the company have already settled the matter with SEBI relating to the pending adjudication and other proceedings for the penalties and prosecutions vide Consent Order of SEBI dated 22nd December, 2008.

That Company operates on high Corporate Ethical values and Professional Standards, and regulatory compliance is always top priority.

We sincerely hope that above submission clarifies the position on the issue and the current management, the Board of Directors have been diligent in providing all the information to the extent it was available in the records of the company. It further had no malafide intention of circumventing law and/or depriving any shareholder of any monetary gain or benefit. In the circumstances it is once again respectfully submitted that the proposed adjudication proceedings may be dropped and no penal action be taken against the company.

Further the current management, Board of Directors, shareholders were not in any way connected with the company at the time the alleged violation are purported to have been committed. The current management, Board of Directors have been diligent in providing all the information to the extent it was available in the records of the company. It further had no malafied intention of circumventing law and depriving shareholder of any monetary

gain or benefit. In the circumstances it is once again respectfully submitted that the proposed adjudication proceedings may be dropped and no penal action be taken against the company.

25. I don't find that the aforesaid submissions of the Noticee have any bearing on the present matter and also find that the submissions do not absolve the Noticee from compliance with the Regulation 13(6) of PIT Regulations.

26. In view of the above, I find that the Noticee has violated provisions of Regulation 13(6) of the PIT Regulations.

27. As it has been established that the Noticee has violated provisions of Regulation 13(6) of the PIT Regulations, I find that the Noticee is liable for monetary penalty under section 15A(b) of the Act, provisions of which reads

Penalty for failure to furnish information, return, etc.

Section 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 of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less.

28. Now, I refer to section 15J of the Act which prescribes the factors to be taken into account by the Adjudicating Officer while adjudging the quantum of penalty under section 15-I of the Act, the provisions of which read,

"While adjudging quantum of penalty under section 15-I, the adjudicating officer shall have due regard to the following factors, namely:-

(a) the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;
(b) the amount of loss caused to an investor or group of investors as a result of the default;
(c) the repetitive nature of the default."

29. It is observed that no quantifiable figures are available to assess the disproportionate gain or unfair advantage made as a result of the default. Further, the amount of loss caused to an investor or group of investors also cannot be quantified on the basis of the available facts and data. However, I find that non compliance with the disclosure to be made by the Company

as required under the PIT Regulations is a violation which needs to be viewed seriously.

30. Considering the facts and circumstances of the case and the violation committed by the Noticee, I find that imposing a penalty of ₹ 1,00,000/- (Rupees One Lakh only) on the Noticee would be commensurate with the violation of provisions of Regulation 13(6) of the PIT Regulations by the Noticee.

IV. ORDER

31. Considering the facts and circumstances of the case, in terms of the provisions of Section 15A(b) of Act and Rule 5(1) of the Adjudication Rules, I hereby impose a penalty of ₹ 1,00,000/- (Rupees One Lakh only) on Capsugel Healthcare Ltd. (formerly known as Bharti Healthcare Ltd.) for violation of provisions of Regulation 13(6) of PIT Regulations.

32. The penalty shall be paid by way of demand draft drawn in favour of "SEBI – Penalties Remittable to Government of India" payable at Mumbai within 45 days of receipt of this Order. The said demand draft shall be forwarded to Ms. Medha Sonparote, Deputy General Manager, Investigation Department, Securities and Exchange Board of India, Plot No. C4-A, 'G' Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051.

33. In terms of the provisions of Rule 6 of the Adjudication Rules, copies of this Order are being sent to the Noticee and to SEBI.

DATE: FEBRUARY 25, 2011 **P. K. BINDLISH**

PLACE: MUMBAI **ADJUDICATING OFFICER**