

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA

SETTLEMENT ORDER
(Application No. 3535/2018)

[SETTLEMENT ORDER NO.: EAD-2/SS/SK/2018-19/1559]

In respect of:

M/s. Polson Limited,
Ambaghat, Vishagad, Taluka Shahuwadi,
Kolhapur, Maharashtra – 415101.

1. Securities and Exchange Board of India ("SEBI") passed an *interim order* dated June 04, 2013 *inter alia* with respect to M/s Polson Limited (hereinafter referred to as 'the applicant'), whose shares are listed on BSE Limited for non-compliance of the Minimum Public Shareholding (hereinafter referred to as 'MPS') norms as stipulated under Rule 19(2) (b) and Rule 19A of the Securities Contracts (Regulation) Rules, 1957 (hereinafter referred to as 'SCRR') within the stipulated due date i.e. June 03, 2013. Vide order dated June 14, 2016 SEBI confirmed the directions passed by the *interim order* against the applicant, its directors, promoters and promoter group.
2. The applicant had made representation to SEBI making submissions that it had complied with MPS requirements by way of sale of 11,200 shares by its promoters through "Offer for Sale" mechanism and the same was informed to stock exchange, and revised shareholding pattern had been uploaded on October 27, 2017. After duly considering the submissions of the applicant, WTM of SEBI, vide an Order dated January 31, 2018 revoked the directions issued vide the *interim order* in respect of the applicant, its directors, promoters and promoter group with immediate effect. However, in the said Order WTM also observed that: - *"The company has delayed compliance with MPS requirement by more than 4 years (i.e. from June 03, 2013 till October 26, 2017). Since I do not find any justifiable reason for the company i.e. Polson Ltd., to have delayed the compliance of the requirement to maintain the said minimum public shareholding, SEBI may consider initiating any action as deemed fit."*
3. Pursuant to above, the competent authority in SEBI was satisfied that there are sufficient grounds to inquire into the affairs and adjudicate upon the alleged violations of provisions of Section 21 of the SCRA read with Regulation 38 of SEBI (LODR) Regulations, 2015 on account of delayed compliance

by the applicant. Vide a communication-order dated May 11, 2018, it has been informed that the competent authority has appointed the undersigned as Adjudicating Officer under Section 23-I(1) and(2) of SCRA and Rule 3 of Securities Contracts (Regulation) (Procedure for Holding Inquiry and imposing penalties by Adjudicating Officer) Rules, 2005 (hereinafter referred to as 'Adjudication Rules') to inquire into and adjudge under Section 23E of the SCRA the alleged violation of provisions of Section 21 of the SCRA read with Regulation 38 of SEBI (LODR) Regulations, 2015. Accordingly, in terms of Rule 4(1) of the Adjudication Rules read with Section 23-I (1) and (2) of SCRA, the notice to show cause no. EAD/SKS-SS/14352/2018 dated May 15, 2018 (hereinafter referred to as 'the SCN') was issued to the applicant, calling upon it to show cause as to why an inquiry should not be held against it in terms of Rule 4 of the Adjudication Rules and penalty be not imposed under Section 23E of the SCRA as charged in this case.

4. Pending Adjudication Proceedings commenced by the aforesaid SCN, the applicant filed a Settlement Application bearing reference no. 3535/2018 dated June 25, 2018 with SEBI in terms of Regulations 3(1) and 3(2) of the SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 (hereinafter referred to as 'Settlement Regulations') proposing to settle the proceedings, without admitting or denying the findings of fact and conclusions of law, through a Settlement Order. In the Settlement Proceedings processed by SEBI in terms of the Settlement Regulations, the applicant, vide its letter received by SEBI on September 28, 2018, proposed payment of ₹ 6,80,000/- (Rupees Six Lakh and Eighty Thousand Only) towards full and final settlement of all regulatory, civil or criminal proceedings in relation to the facts contained in the SCN without admitting or denying any violation on its part.
5. The aforesaid settlement terms were placed before the High Powered Advisory Committee on Settlement (hereinafter referred to as 'HPAC') on October 08, 2018. The HPAC, after considering the facts and circumstances of the case, settlement terms offered by the applicant and also the material made available before it by SEBI, recommended that the aforesaid adjudication proceedings initiated against the applicant may be settled on payment of ₹ 6,80,000/- (Rupees Six Lakh and Eighty Thousand Only). The Panel of Whole Time Members of SEBI approved the said recommendation of the HPAC on November 14, 2018 and the same was communicated to the applicant on November 15, 2018. Thereafter, the applicant, vide its letter dated November 16, 2018, remitted a sum of ₹ 6,80,000/-

(Rupees Six Lakh and Eighty Thousand Only) towards the settlement charges through Cheque No. 700045 dated November 16, 2018 drawn on Citibank.

6. In view of the above, in terms of Regulation 15(1) of the Settlement Regulations, it is hereby ordered that the instant adjudication proceedings initiated against the applicant vide SCN dated May 15, 2018 are settled and disposed of in terms of above settlement terms.
7. This order is without prejudice to the right of SEBI to take any enforcement action including restoring or initiating the proceedings in respect to which this settlement order is passed, if:
 - (a) any representations made by the applicant in the settlement proceedings are subsequently found to be untrue; or
 - (b) the applicant breaches any of the clauses /conditions of undertakings/ waivers filed during the current settlement proceedings.
8. This settlement order shall come into force with immediate effect. In terms of Regulation 17 of the Settlement Regulations, copy of this order is sent to the applicant and also to SEBI.

Date: November 22, 2018

Place: Mumbai

Santosh Shukla

Adjudicating Officer