

## BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

## SETTLEMENT ORDER

Applicant No.	Settlement Application No.	Name of applicant	PAN
1	6281/2021	Combine Holding Limited	AAACC0807E
2	6282/2021	Samir Jain	AEHPJ3016Q
3	6283/2021	Meera Jain	AEZPJ3882J
4	6284/2021	Punjab Mercantile & Traders Limited	AAACP0228J
5	6285/2021	Ashoka Viniyoga Ltd	AACCA4784G
6	6286/2021	Camac Commercial Company Limited	AABCC0733E

**In the matter of Combine Holding Limited**

1. Combine Holding Limited (Applicant no. 1), had filed a settlement application in terms of the SEBI (Settlement Proceedings) Regulations, 2018 ("**Settlement Regulations**") proposing to settle, through a Settlement Order, without admitting or denying the findings of fact and conclusions of law, the enforcement proceedings initiated under Sections 11(1), 11(4), 11(4A), 11B(1), 11B(2) and 11(2)(j) of the Securities and Exchange Board of India Act, 1992 ("**SEBI Act**") read with Section 12A(1)(a) and Section 23E of the Securities Contracts (Regulations) Act, 1956 ("**SCR Act**") and under Sections 15A(b) and 15HA of the SEBI Act 1992 read with Securities Contracts (Regulation) (Procedure For Holding Inquiry And Imposing Penalties) Rules, 2005 and SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 initiated vide Show Cause Notice ("**SCN**") bearing no. SEBI/HO/IVD/ID1/OW/P/2020/18102/ dated October 28, 2020.
2. Samir Jain (Applicant no. 2), Meera Jain (Applicant no. 3), Punjab Mercantile & Traders Limited (Applicant no. 4), Ashoka Viniyoga Limited (Applicant no. 5) and Camac Commercial Company Limited (Applicant no. 6) also filed settlement applications proposing to settle, through a Settlement Order, without admitting or denying the findings of fact and conclusions of law, the enforcement proceedings initiated under Sections 11(1), 11(4), 11(4A), 11B(1) and 11B(2) of the SEBI Act and Sections 15A(b), 15HA and 15HB of the SEBI Act 1992 read with SEBI (Procedure for Holding Inquiry and Imposing

Penalties) Rules, 1995 initiated vide SCN bearing no. SEBI/HO/IVD/ID1/OW/P/2020/18102/ dated October 28, 2020.

3. SEBI had conducted an investigation in the matter for the period between January 1, 2013 and December 31, 2019, to ascertain whether there had been any misrepresentation of shareholding of the promoters as public shareholding and the possible non-compliance with the minimum public shareholding norms. Based on the findings of the investigation, enforcement proceedings were initiated as given in paragraph nos. 1 and 2. The said SCN alleged the following:

a. That Combine Holding Limited had violated –

- i. Regulation 31(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("**LODR Regulations**") read with SEBI Circular no. CIR/CFD/CMD/13/2015 dated November 30, 2015 read with regulation 2(z) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009 ("**ICDR Regulations**") and clause 35 of the listing agreement,
- ii. Rule 19A(1) of the Securities Contracts (Regulation) Rules 1957 read with regulation 38 of LODR Regulations read with provision of 2(II) of SEBI Circular no CIR/CFD/DIL/10/2010 dated December 16, 2010 read with Circular no CIR/CFD/CMD/14/2015 dated November 30, 2015,
- iii. Section 12A(a) and (b) of SEBI Act 1992 read with regulation 3(b) and (c) and 4(1) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations 2003 ("**PFUTP Regulations**").

b. That Applicant nos. 2 to 6 had violated -

- i. Regulation 30(2) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 2011 ("**SAST Regulations**") and regulation 7(1)(a) of the SEBI (Prohibition of Insider Trading) Regulations 2015 ("**PIT Regulations**"),
- ii. Provision of Clause 2(II) of SEBI Circular no CIR/CFD/DIL/10/2010 dated December 16, 2010 read with Circular no CIR/CFD/CMD/14/2015 dated November 30, 2015, dealing with the norms of Minimum public shareholding,
- iii. Section 12A(a) and (b) of the SEBI Act 1992 read with regulation 3(b) and (c) and 4(1) of PFUTP Regulations.

4. Pursuant to the receipt of the settlement applications, the authorized representatives of the applicants had a meeting with the Internal Committee of SEBI on December 2, 2021 and deliberated on the terms of settlement. Thereafter, the applicants proposed the Revised Settlement Terms to settle the proceedings initiated against them. The applications along with the revised settlement terms were considered by the High Powered Advisory Committee (HPAC) in its meetings held on December 29, 2021, January 13, 2022 and March 17, 2022. Considering that the applicants are parties in pending Writ Petitions before the Delhi High Court, HPAC recommended that deliberations in respect of the said settlement applications may be deferred till the applicants seek specific permission of the Court for consideration of these Settlement Applications. In compliance with the aforesaid observations, the applicants made formal submissions regarding the settlement applications before the Delhi High Court. Pursuant to the same, the Delhi High Court passed separate Orders dated May 24, 2022, May 27, 2022 and June 1, 2022 stating *inter alia*, that SEBI shall be free to deal with the settlement applications filed by the applicants, on its own merits, in accordance with law. Thereafter the settlement applications were placed before the HPAC again on June 9, 2022.
5. The HPAC in its meeting held on June 9, 2022, considered the settlement terms proposed by the applicants and recommended the case for settlement on the following settlement terms:

Name of Applicant	Settlement Terms formulated as per SEBI (Settlement Proceedings) Regulations, 2018
Combine Holding Limited	₹2,43,10,000/- (Rupees Two crore forty three lakh ten thousand only) as settlement amount along with voluntary undertaking to refrain from accessing the securities markets by issuing prospectus, offer documents or advertisements soliciting money from the public for a period of 24 months from the date of the settlement order in respect of <b>Combine Holding Limited</b> .
Samir Jain	₹1,12,01,300/- (Rupees One crore twelve lakh one thousand three hundred only) as settlement amount in respect of <b>Samir Jain</b> .
Meera Jain	₹1,12,01,300/- (Rupees One crore twelve lakh one thousand three hundred only) as settlement amount in respect of <b>Meera Jain</b> .

Punjab Mercantile & Traders Limited	₹2,24,21,300/- (Rupees Two crore twenty four lakh twenty one thousand three hundred only) as settlement amount along with voluntary undertaking to extend the exit offer for a period of three months from the date of settlement order by issuance of individual notices, under Speed Post, directly to the remaining public shareholders of CHL at the same exit price as was offered in 2019, subject to any enhancement of such exit price if so directed by the High Court of Delhi, in respect of <b>Punjab Mercantile &amp; Traders Limited</b> .
Camac Commercial Company Limited	₹2,24,21,300/- (Rupees Two crore twenty four lakh twenty one thousand three hundred only) as settlement amount in respect of <b>Camac Commercial Company Limited</b> .
Ashoka Viniyoga Limited	₹2,43,99,650/- (Rupees Two crore forty three lakh ninety nine thousand six hundred fifty only) as settlement amount along with voluntary undertaking to refrain from accessing the securities markets by issuing prospectus, offer documents or advertisements soliciting money from the public for a period of 24 months from the date of the settlement order in respect of <b>Ashoka Viniyoga Limited</b> .

6. The HPAC also recommended that Punjab Mercantile & Traders Limited be required to provide an undertaking that the exit price offered by the company to the public shareholders of Combine Holding Limited, is subject to any enhancement as directed by the Hon'ble Delhi High Court.
7. Upon acceptance of the aforesaid recommendations by the Panel of Whole Time Members in terms of Regulation 15(2) of the Settlement Regulations, Notice of Demand was issued to the applicants on July 20, 2022.
8. Vide email dated August 17, 2022, the applicants informed about the remittance of the respective settlement amounts on August 9 and August 11, 2022 and SEBI has confirmed the credit of the same. Vide email dated August 17, 2022, Punjab Mercantile & Traders Limited also provided an undertaking to extend the exit offer undertaken by the said entity, in case of Combine Holding Limited in 2019, for a period of three months from the date of the settlement order by issuance of individual notices, under Speed Post, directly to the remaining public shareholders of Combine Holding Limited, at the same exit price as offered in 2019, subject to any enhancement of such exit price if

so directed by the High Court of Delhi in Writ Petition no. 10756/2019 to which Combine Holding Limited is a party.

9. In view of the above, in exercise of the powers conferred under Section 15JB read with Section 19 of the SEBI Act and under Section 23JA of the SCRA, and in terms of Regulation 23 read with Regulation 28 of the Settlement Regulations, it is hereby ordered that the pending enforcement proceedings for the alleged defaults as mentioned at paragraph 1 and 2 are settled *qua* the applicants on the following terms:
- i. this Order disposes of the proceedings initiated by SEBI for the defaults as mentioned earlier in respect of the applicants;
  - ii. SEBI shall not initiate any other enforcement action against the applicants for the said defaults;
  - iii. Punjab Mercantile & Traders Limited shall submit a report of compliance with the terms of its undertaking given at paragraph 8, along with proof of dispatch of individual notices for extension of exit offer to the remaining public shareholders, within 15 days of the passing of this settlement order, failing which the settlement order shall cease to operate *qua* all the applicants.
10. The passing of this Order is without prejudice to the right of SEBI under Regulation 28 of the Settlement Regulations to take enforcement actions including continuing proceedings against the applicants, if SEBI finds that:
- a) any representation made by the applicants in the present settlement proceedings is subsequently found to be untrue;
  - b) the applicants have breached any of the clauses/ conditions of Undertakings/Waivers filed during the present settlement proceedings; and
  - c) there was a discrepancy while arriving at the settlement terms.
11. This Settlement Order is passed on this 7<sup>th</sup> day of September, 2022 and shall come into force with immediate effect.
12. In terms of Regulation 25 of the Settlement Regulations, a copy of this Order shall be sent to the applicants and also be published on the website of SEBI.

**ANANTA BARUA**  
**WHOLE TIME MEMBER**

**ASHWANI BHATIA**  
**WHOLE TIME MEMBER**