

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI

CONSENT ORDER

On the Application submitted by

M/s Tilak Finance Ltd.

In the matter of Tilak Finance Ltd.

CO/DCR-I/2265/PB/AO-64/2011

1. An open offer was made by Handful Investrade Private Ltd. ("Acquirer") to the shareholders of Tilak Finance Ltd. (hereinafter referred to as "TFL"/ "Noticee"), Target Company listed at Bombay Stock Exchange (hereinafter referred to as "BSE"), and suspended from BSE due to non-compliance of the provisions of listing agreement, through a public announcement dated September 3, 2009 for acquisition of 49,000 fully paid-up equity shares of Rs.10/- each, at a price of Rs. 15/- per share, representing in aggregate upto 20% of the paid-up and voting capital of TFL. While examining the offer document, Securities and Exchange Board of India (hereinafter referred to as "SEBI") observed certain non-compliances in violation of the provisions of regulations 6(2), 6(4), 7(3) and 8(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (hereinafter referred to as "SAST Regulations") by the Noticee.
2. Therefore, adjudication proceedings were initiated against the Noticee to inquire and adjudge under section 15A(b) of Securities and Exchange Board of India Act, 1992 for the alleged violation of the provisions of regulations 6(2), 6(4), 7(3) and 8(3) of SAST Regulations. Consequently, a Show Cause Notice No. EAD-7/PB/CS/23867/2010 dated October 18, 2010 (hereinafter referred to as "SCN") was issued under rule 4 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995, by the undersigned.

3. While the adjudication proceedings were pending, the Noticee made an application dated March 11, 2011 and an affidavit of “undertakings and waivers” in terms of SEBI Circular No. EFD/ Cir.-1/2007 dated April 20, 2007 for Consent Order in respect of the aforesaid SCN before SEBI.
4. Subsequently, the Noticee proposed revised consent terms, without admitting or denying the guilt and subject to clauses of the undertakings and waivers, submitting that it was willing to pay a sum of ₹7,50,000/- (Rupees seven lakh and fifty thousand only) towards settlement charges in the matter. The terms as proposed by the Noticee was placed before the High Powered Advisory Committee (hereinafter referred to as ‘HPAC’) on June 14, 2011. The HPAC considered the facts and circumstances of the case, consent terms offered by the Noticee and the material brought before it by SEBI and recommended that the case may be settled on payment of ₹7,50,000/- (Rupees seven lakh and fifty thousand only). The recommendations of HPAC were approved by the panel of Whole Time Members of SEBI.
5. SEBI vide letter dated July 1, 2011 communicated to the Noticee the recommendations of HPAC that, the case may be settled on payment of ₹7,50,000/- (Rupees seven lakh and fifty thousand only). Accordingly, the Noticee has remitted a sum of ₹7,50,000/- (Rupees seven lakh and fifty thousand only), vide Demand Draft No.018332 dated July 16, 2011 drawn on YES Bank, Mumbai, towards the terms of consent in the matter.
6. In view of above, it is hereby ordered that,
 - i) This consent order disposes of the said proceedings pending against the Noticee under Securities and Exchange Board of India Act, 1992, and

- ii) Passing of this order is without prejudice to the right of SEBI to take enforcement actions including commencing / reopening of the pending proceedings against the Noticee, if SEBI finds that
 - a. any representation made by the Noticee in the consent proceedings is subsequently discovered to be untrue.
 - b. the Noticee has breached any of the clauses / conditions of undertakings / waivers filed during the current consent proceedings.
- 7. This consent order is passed on July 21, 2011 and shall come into force with immediate effect.
- 8. In terms of rule 6 of SEBI (Procedure for Holding Inquiry and Imposing Penalty by Adjudicating Officer) Rules, 1995, copies of this order are sent to the Noticee and also to SEBI.

Parag Basu
Adjudicating Officer