

**BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
[SETTLEMENT ORDER No. SO/NH/RJ/2023-24/7009]**

In respect of

Man Industries (India) Limited
PAN AAACM2675G

In the matter of alleged disclosure violations pertaining to Forensic Audit Initiation

1. Background

- 1.1. Securities and Exchange Board of India (“SEBI”) had initiated a forensic audit in respect of Man Industries (India) Limited (“Applicant”) for Financial Years 2014-15 to 2020-21. In this regard, intimation was sent to the Applicant vide letter dated November 22, 2021. The receipt of the said intimation was acknowledged by the Applicant vide email dated November 25, 2021.
- 1.2. Pursuant to the receipt of the said acknowledgement, SEBI conducted an examination for possible violation of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (“LODR Regulations”) by the Applicant during November 22, 2021 to December 23, 2021 (“examination period”) with respect to disclosure to the exchanges regarding initiation of forensic audit.
- 1.3. Subsequently, SEBI, in its examination report, alleged that despite the receipt of SEBI’s letter dated November 22, 2021, the Applicant made delayed and inadequate disclosure regarding the initiation of forensic audit. Therefore, the Applicant was alleged to have violated Regulations 30 (1) and (2) read with Schedule III Part A (A) (17) of the LODR Regulations read with Regulation 4 (1) (d), (e), (f), (g) and (h) of the LODR Regulations and read with Clause 2 of the Listing Agreement.

1.4. In view of above, SEBI appointed the undersigned as the Adjudicating Officer, vide communiqué dated June 07, 2022, to inquire into and adjudge under Section 23E of Securities Contract (Regulation) Act, 1956 ("SCRA"), the aforesaid violations alleged to have been committed by the Applicant.

1.5. Accordingly, adjudication proceedings were initiated vide Show Cause Notice bearing reference no. SEBI/EAD2/NH/VS/34420/2022 dated August 03, 2022 ("SCN") issued to the Applicant.

2. Settlement Application

2.1. Consequent to the issuance of the SCN, a Settlement Application dated September 30, 2022 was filed by the Applicant requesting for the settlement of the adjudication proceedings initiated vide the SCN under the SEBI (Settlement Proceedings) Regulations, 2018 ("Settlement Regulations").

2.2. Based on material on record, it is noted that pursuant to receipt of the Settlement Application, the authorised representatives of the Applicant had a meeting with the Internal Committee of SEBI ("IC") on February 08, 2023, wherein the issues detailed above were deliberated. The IC recommended Rs. 8,79,450/- (Rupees Eight Lakh Seventy-Nine Thousand Four Hundred Fifty only) as the indicative amount for settlement. Thereafter, the Applicant proposed revised settlement terms by way of its email dated February 23, 2023 to settle the specified proceedings initiated by way of the SCN.

2.3. The High Powered Advisory Committee ("HPAC") in its meeting held on March 09, 2023 considered the revised settlement terms proposed by the Applicant and recommended the case for settlement upon a) Payment of Rs. 8,79,450/- (Rupees Eight Lakh Seventy-Nine Thousand Four Hundred Fifty only) as settlement amount and b) Recovery of the said settlement amount from the officers-in-default so that the investors are not penalised.

2.4. The recommendations of the HPAC were approved by the Panel of Whole Time Members ("WTMs") on June 01, 2023.

2.5. The Applicant by way of its email dated July 07, 2023 has informed SEBI about the remittance of the aforesaid settlement amount on June 30, 2023. The said email also provided relevant details regarding the remittance of the said settlement amount. The material on record confirms the receipt of the said settlement amount.

2.6. Thereafter, vide email dated July 07, 2023, the Applicant was requested to confirm compliance with the requirement to recover the said settlement amount from officers-in-default so that the investors are not penalised. In response, the Applicant (Noticee Company) vide email dated July 10, 2023, informed that the Company Secretary and Compliance Officer, at the relevant time, has resigned from the Company w.e.f. December 31, 2022. In view thereof, the Applicant requested to accept the settlement amount from the Company since it is the only Noticee in the SCN dated August 03, 2022.

2.7. Accordingly, the matter was placed before the Panel of WTMs for their consideration and approval. The Panel of WTMs has approved acceptance of payment of settlement amount from the Applicant on July 25, 2023.

3. Order

3.1. In view of the acceptance of the settlement terms and receipt of settlement amounts as above by SEBI, the specified proceedings initiated against the Applicant vide Show Cause Notice dated August 03, 2022 are disposed of in terms of Section 23JA of SCRA and Regulation 23(1) of the Settlement Regulations on the basis of the settlement terms.

3.2. The passing of this Settlement Order is, however, without prejudice to the right of SEBI under Regulation 28 of the Settlement Regulations to initiate appropriate actions against the Applicant, if –

- i) any representation made by the Applicant in the present settlement proceedings is subsequently found to be untrue or
- ii) the Applicant has breached any of the clauses/ conditions of undertakings/ waivers filed during the present settlement proceedings.

3.3. This Settlement Order is passed on this day of July 31, 2023 and shall come into force with immediate effect.

3.4. In terms of Regulation 25 of the Settlement Regulations, a copy of this Order shall be sent to the Applicant and shall also be published on the website of SEBI.

Place: Mumbai

Date: July 31, 2023

**N HARIHARAN
ADJUDICATING OFFICER**