

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
CO/CFD/2849/2014/JJ/AK/AO-08/2015

SETTLEMENT ORDER

On the Application No. 2849 of 2014

Submitted by

Vishal K Mahadevia

(PAN: AADPM9486F)

In the matter of:

M/s Tak Machinery and Leasing Limited

(Now Known as "M/s Mangal Credit & Fincorp Limited")

1. An open offer was made by E-Ally Consulting (India) Private Limited and Shree Jaisal Electronics & Industries Limited (hereinafter collectively referred to as "**Acquirers**") along with Mr. Sandeep Maloo, Mrs. Neeta Maloo, Mr. Labh Chand Maloo, Mrs. Lata Maloo, Sandeep Maloo (HUF) and Labh Chand Maloo (HUF) [hereinafter collectively referred to as "**Persons Acting in Concert**" / "**PAC**"], in terms of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (**SAST Regulations, 1997**), to the shareholders of M/s Tak Machinery & Leasing Limited (hereinafter referred to as "**TMLL**"), Target Company listed at BSE Limited (**BSE**) and Ahmedabad Stock Exchange (**ASE**), through a public announcement dated February 17, 2011 for acquisition of 1,40,810 fully paid-up equity shares of ₹10 each, representing 20% of share capital of TMLL, at a price of ₹234 per fully paid up equity share, payable in cash.
2. Upon perusal of open offer and documents available on record, it is observed that Vishal K Mahadevia (hereinafter referred to as "**Vishal**"/"**Noticee**") was the

member of erstwhile promoter group of TMLL and the total shareholding of the erstwhile promoter group of TMLL as on September 10, 2010 was 51.99%.

3. It was alleged that on September 10, 2010, Vishal had sold 17,890 shares of TMLL, constituting 2.54% of then total share capital of TMLL. As the said transaction resulted into the sale of more than 2% of shares of TMLL by Vishal, he was required to make the disclosures as stipulated under regulation 7(1A) read with regulation 7(2) of SAST Regulations, 1997 to the company and to the stock exchanges, within two days from the date of sale of shares i.e. by September 12, 2010, which he has failed to do.
4. Shri Piyoosh Gupta was appointed as the Adjudicating Officer vide order dated June 27, 2013 under section 15 I of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as “**SEBI Act**”) to inquire and adjudge under Section 15A(b) of the SEBI Act, the alleged violations of provisions of regulation 7(1A) read with regulation 7(2) of SAST Regulations, 1997 committed by the Noticee. Consequent, upon transfer of Shri Piyoosh Gupta, the undersigned has been appointed as Adjudicating Officer vide order dated November 08, 2013 to enquire and adjudge the matter. Accordingly, a Show Cause Notice (**SCN**) in terms of the provisions of Rule 4(1) of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 was issued to the Noticee on February 05, 2014, seeking reply of the Noticee as to why an inquiry should not be held in respect of the violations alleged to have been committed by the Noticee.
5. While the Adjudication Proceedings were in progress, a settlement application received on July 11, 2014 was submitted by the Noticee before SEBI along with the Undertaking / Waivers in terms of SEBI Circular No. EFD/ED/Cir-1/2007 dated April 20, 2007 further amended vide Circular No. CIR/EFD/1/2012 dated May 25, 2012, which is rescinded by the SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 proposing to settle, through settlement order, the

aforementioned adjudication proceedings for non compliance of regulation 7(1A) read with regulation 7(2) of SAST Regulations, 1997 alleged to have been committed by the Noticee.

6. The representatives of the Noticee had a meeting with the Internal Committee of SEBI where the terms of settlement was deliberated upon. Thereafter, the authorized representative of the Noticee vide his letter dated September 22, 2014 proposed the revised consent terms to settle the aforesaid adjudication proceedings for non compliance of regulation 7(1A) read with regulation 7(2) of SAST Regulations, 1997 by offering to pay a sum of ₹3,06,000/- (Rupees Three Lakh Six Thousand only) towards settlement charges.
7. The revised settlement terms as proposed by the Noticee were placed before the High Powered Advisory Committee (**HPAC**) on October 28, 2014 and HPAC after deliberation recommended the case for settlement on payment of ₹3,06,000/- (Rupees Three Lakh Six Thousand only) towards settlement terms. The Panel of Whole Time Members of SEBI accepted the said recommendations of the HPAC. Thereafter, SEBI vide email dated January 06, 2015 conveyed to the Noticee that in view of the recommendations of HPAC, SEBI has in principle agreed to accept the terms of the settlement proposed by the Noticee subject to the clauses of Undertakings/Waivers mentioned in the settlement application and advised the Noticee to pay in accordance with the revised settlement terms.
8. Accordingly, the Noticee has remitted a sum of ₹3,06,000/- (Rupees Three Lakh Six Thousand only) favoring Securities and Exchange Board of India vide demand draft having No. 514191 dated January 07, 2015 drawn on Standard Chartered Bank towards the settlement charges.
9. In view of the above, in terms of Regulation 15 (1) of SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 it is hereby ordered that:

- A) this Settlement Order disposes of the said Adjudication Proceedings pending in respect of the Noticee as mentioned above and;
- B) 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 representations made by the Noticee in the settlement proceedings are subsequently discovered to be untrue.
 - b. the Noticee has breached any of the clauses / conditions of undertakings / waivers filed during the current settlement proceedings.

10. This Settlement Order is passed on the 28th day of January, 2015 and shall come into force with immediate effect.

11. In terms of Regulation 17 of SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014, copies of this order are being sent to the Noticee and also to Securities and Exchange Board of India, Mumbai.

Place: Mumbai

**Jayanta Jash
Adjudicating Officer**