

## SECURITIES AND EXCHANGE BOARD OF INDIA

## ORDER

Under sections 11(1), 11(2)(j), 11(4) and 11B of the Securities and Exchange Board of India Act, 1992 read with section 12A of the Securities Contracts (Regulation) Act, 1956 in the matter of non-compliance with the requirement of minimum public shareholding by listed companies

**In respect of Miven Machine Tools Limited**

1. Securities and Exchange Board of India (hereinafter referred to as "SEBI") had passed an interim Order dated **June 04, 2013** (hereinafter referred to as "the interim order ") with respect to 105 listed companies who did not comply with the Minimum Public Shareholding ("MPS") norms as stipulated under rules 19(2)(b) and 19A of the Securities Contracts (Regulation) Rules, 1957 (hereinafter referred to as "SCRR") within the due date i.e., June 03, 2013. The interim order was passed without prejudice to the right of SEBI to take any other action, against the non-compliant companies, their promoters and/or directors or issuing such directions in accordance with law. The interim order was to be treated as a show cause notice by those companies for action contemplated in paragraph 18 thereof.

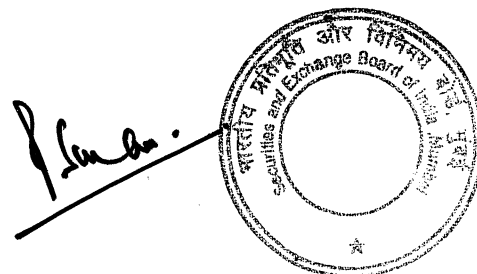
2. **Miven Machine Tools Limited** (hereinafter referred to as "the Company") is one such company against whom the interim order was passed. After considering the submissions made by the Company, SEBI, vide **Order dated July 11, 2014**, had issued the following directions, for the reasons stated therein:

" .....

9. *Accordingly, I, in exercise of the powers conferred upon me under section 19 of the Securities and Exchange Board of India Act, 1992 read with sections 11(1), 11(2)(j), 11(4) and 11B thereof and section 12A of the Securities Contracts (Regulation) Act, 1956, hereby issue the following directions :*

(i) *The direction issued in paragraph 17(b) of the interim order dated June 04, 2013 stands modified to the extent that it shall not hinder the voluntary delisting process initiated by the Company/promoters and that its promoters shall be permitted to buy shares of the Company held by public shareholders in their offer for delisting.*

(ii) *The Company shall endeavour to complete the delisting process on or before October 29, 2014 and shall report the outcome of the delisting process to SEBI within a period of two weeks thereafter.*



(iii) *The direction issued in paragraph 17(b) of the interim order dated June 04, 2013 shall be re-imposed immediately (without the need for passing of a separate order) in case the delisting process of the Company is not completed successfully within the period directed in sub-paragraph (ii) above.*

(iv) *The directions contained in paragraphs 17(a), (c) and (d) of the interim order dated June 04, 2013 shall continue to be in effect till such time the Company is delisted from the stock exchanges or till the time the Company becomes compliant with the MPS norms, whichever is earlier.*

10. *This Order shall come into force with immediate effect.*

11. *The aforesaid directions are issued without prejudice to the right of SEBI to initiate action as contemplated in paragraph 18 of the interim order in case the delisting process of the Company is not successful within the period as directed above.*

..... "

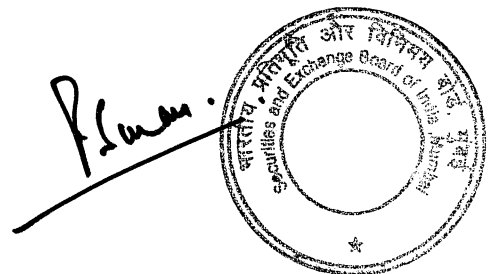
3. Subsequently, on consideration of the request for further time and submissions of the Company, SEBI, had, vide Orders dated **March 04, 2015** and **August 04, 2015**, allowed time till October 02, 2015 to complete the delisting process. The directions passed vide August 04, 2015 are reproduced herein below for reference:

(i) *"The direction issued in paragraph 17(b) of the interim order dated June 04, 2013 stands modified to the extent that it shall not hinder the voluntary delisting process initiated by the Company/promoters and that its promoters shall be permitted to buy shares of the Company held by public shareholders in their offer for delisting.*

(ii) *The Company shall endeavour to complete the delisting process on or before **October 02, 2015** (i.e. three months from July 03, 2015 – the date when delisting was supposed to have been completed in terms of SEBI Order dated March 04, 2015) and shall report the outcome of the delisting process to SEBI within a period of two weeks thereafter.*

(iii) *The direction issued in paragraph 17(b) of the interim order dated June 04, 2013 shall be re-imposed immediately (**without the need for passing of a separate order**) in case the delisting process of the Company is not completed successfully within the period directed in sub-paragraph (ii) above.*

(iv) *The directions contained in paragraphs 17(a), (c) and (d) of the interim order dated June 04, 2013 shall continue to be in effect till such time the Company is delisted from the stock exchanges or till the time the Company becomes compliant with the MPS norms, whichever is earlier."*



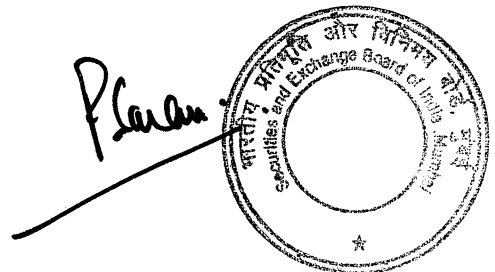
4. Thereafter, the Company vide letter dated October 09, 2015, informed that the promoters of the Company had launched an Offer for Sale (OFS) through the stock exchange mechanism and had sold the excess shareholding of 36,050 equity shares constituting 11.19% of the paid-up share capital of the Company on September 29, 2015. The Company also stated that the shares offered in the OFS were credited in the demat accounts of the successful bidders on October 01, 2015. As per the Company, the shareholding of the promoters were brought down from 86.19% to 74.9992% and that the level of public shareholding had increased from 13.81% to 25.0008% and that the Company has complied with the MPS requirements. The Company also submitted its revised shareholding pattern pursuant to the OFS, wherein the promoters hold 75% and the public shareholders hold 25%.

5. With respect to the delisting process, the Company stated that the same failed as the required level of response was not received from the public shareholders and therefore the Company was constrained to discontinue the delisting process. As the Company had now complied with the MPS norms, it has requested SEBI to withdraw the restrictions imposed on the promoters and directors of the Company under paragraph 17 (a), (b), (c) and (d) of the interim order.

6. The Company was afforded an opportunity of personal hearing on January 20, 2016, when Ms. Shailashri Bhaskar, Practising Company Secretary and Mr. Umesh P. Maskeri, Practising Company Secretary appeared before me and made submissions.

7. I have considered the interim order, the subsequent orders of SEBI passed in respect of the Company, the submissions made by the Company and other material available on record. On the basis of the request of the Company and on considering the facts and circumstances of the case, the directions imposed in the interim order were modified to enable the promoters of the Company to pursue their delisting process. However, the delisting process was not successful as it is informed by the Company that necessary response was not obtained from the public shareholders. Thereafter, the promoters had undertaken an OFS, whereby the excess shareholding of 11.19% was offloaded. The same resulted in the Company becoming compliant with the MPS norms.

8. I have perused the shareholding pattern of the Company as on October 02, 2015 and note that the public shareholders hold 25%, the minimum required in terms of rule 19A of the SCRR. Therefore, it can be considered that the Company became compliant with the MPS norms only on October 01, 2015 (*being the final date of settlement of the OFS*), whereas the due date as per the MPS norms was on June 03, 2013. The Company has therefore delayed in complying with the MPS norms within the due date mandated under the statute.



9. Considering the fact that the Company has now complied with the MPS requirements as stipulated under rule 19A of the SCRR read with regulation 38 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it would be appropriate and reasonable to vacate the directions issued vide the interim order read with SEBI Order dated August 04, 2015, against the Company, its promoters and directors. However, in respect of the non-compliance of the MPS requirements by the Company within the due date, I am of the considered view that, as contemplated in paragraph 18 of the interim order, the case be referred for adjudication proceedings under sections 23E and 23H of the SCRA.

10. Accordingly, I, in exercise of the powers conferred upon me under section 19 of the Securities and Exchange Board of India Act, 1992 read with sections 11(1), 11(2)(j), 11(4) and 11B thereof and section 12A of the Securities Contracts (Regulation) Act, 1956, hereby revoke the directions issued vide the interim order dated June 04, 2013 read with Order dated August 04, 2016 against the company, **Miven Machine Tools Limited**, its directors, promoters and promoter group, with immediate effect. The matter is referred for adjudication proceedings under sections 23E and 23H of the Securities Contracts (Regulation) Act, 1956. For this purpose, an adjudicating officer shall be appointed by SEBI in terms of section 23I of the Securities Contracts (Regulation) Act, 1956 read with the Securities Contracts (Regulation) (Procedure for Holding Inquiry and Imposing Penalties By Adjudicating Officer) Rules, 2005, and such adjudicating officer shall conduct the inquiry in accordance with law.

11. Copy of this Order shall be served on the stock exchanges and depositories for their information and necessary action.

*Prashant Saran*

**PRASHANT SARAN**  
**WHOLE TIME MEMBER**  
**SECURITIES AND EXCHANGE BOARD OF INDIA**

Date: April 06<sup>th</sup>, 2016  
Place: Mumbai

