



Takeover Panorama

A monthly newsletter by Corporate Professionals
Year V-Vol.I-January 2011



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Legal Update

SAT order in the matter of Bhushan Group and BNS Tour and Travel Pvt. Ltd.

Facts:

1. The appeal is filed against the Adjudicating Officer order dated January 18, 2010, imposing the monetary penalty of Rs.4.5 Lacs on the appellants namely Bhushan Energy Ltd., Bhushan Steel Ltd., Brij Bhushan Singhal, Neeraj Singhal, BNS Steel Trading Pvt. Ltd., BBN Transportation Pvt. Ltd., BNR Infotech Pvt. Ltd. and BNR Consultancy Services Pvt. Ltd. (Bhushan Group) and BNS Tour and Travel Pvt. Ltd. (BNS/Respondent) for the violation of Regulation 10 of SEBI (SAST) Regulations, 1997 in respect of acquisition of shares of Orissa Sponge Iron and Steel Limited ("Target Company").

Where the Shares have been transferred and registered in the name of the buyer, the fact that the consideration for the shares transferred is paid with a time gap from the date of transfer of shares becomes immaterial and the ownership is presumed to be transferred on the date on which transfer is made.
2. The Adjudicating Officer is of the view that Bhushan Group and BNS are person acting in concert with each other and their combined shareholding as on January 29, 2009 has increased beyond 15% of the paid up capital of the Target Company. However, no Open Offer was made by them which have resulted into triggering regulation 10 of SEBI (SAST) Regulations, 1997.
3. However, the appellants contended that BNS is part of the Bhushan Group prior to October 6, 2008, on which date the shares of the BNS held by this group were sold to the Jain group and thereafter, BNS is not a PACs with the Bhushan Group. Accordingly, their shareholding cannot be clubbed with that of the BNS. However, according to Adjudicating Officer as the payment for the shares transferred was made on February 27 and February 28, 2009, therefore the transaction would be presumed to be completed in February 28, 2009 and thus, BNS would be considered as the part of the Bhushan Group on January 29, 2009, the alleged date of acquisition.

Issues:

Whether Bhushan Group and BNS would be considered as PAC with each other on January 29, 2009? If yes, whether there has been any violation of regulation 10 of SEBI (SAST) Regulations, 1997 by Bhushan Group?

Decision:

Considering the following facts and circumstances of the case, SAT allows the appeal and held that BNS is not a part of the Bhushan Group on January 29, 2009 and cannot be considered as PACs with the said Group:

1. **Reference of Clause 1 and 5 of the Share Purchase Agreement** which provides that subject to the provisions of this SPA and against the payment of the consideration, the buyer shall become the legal and beneficial owner of entire shareholding of BNS on the execution of this agreement. Further, the buyers as well as the seller have mutually agreed that the consideration for the shares transferred will be paid on or before 28.02.2009.

Thus, these clauses of SPA leave no room for doubt that the parties intended that the property in the shares **would get transferred on the date of execution of the agreement** and that payment shall be made by the purchasers to the sellers on or before February 28, 2009.

2. SAT has also made a reference to **Section 19 of the Sale of Goods Act, 1930** which stipulates that property in the goods is transferred to the buyer at such time as the parties to the contract intend it to be transferred and **Section 20** makes it clear that in a contract for the sale of specific goods in a deliverable state, the property in the goods passes to the buyer when the contract is made and it is immaterial whether the time of payment of the price or the time of delivery of the goods or both is postponed.

As the parties intended to transfer the ownership of shares on the date of execution of SPA, therefore, the ownership will be presumed to be transferred on October 06, 2008 and not on the date of payment.

3. Further, share transfer deeds duly stamped and executed and Board Resolution approving the transfer is also on the record of the Company which is in accordance with **Section 108 of the Companies Act, 1956** that provides that shares get transferred on the execution of duly stamped transfer deeds.

Accordingly, as BNS cannot be considered as PACs with the Bhushan Group and the shareholding of Bhushan Group as on January 29, 2009 is less than 15%, therefore, there is no violation of regulation 10 of SEBI (SAST) Regulations, 1997 by the Bhushan Group.

Moreover, the Bhushan Group has voluntarily made the Public Announcement on February 28, 2009 to the public shareholders at a price of Rs. 359.95 per share which is the more than the price that would have been offered to the shareholders if the appellants had come out with a public offer within four days of January 29, 2009.

Takeover Panel Order in the matter of Satra Properties (India) Limited

Facts:

1. Mr. Praful N. Satra and Mrs. Minaxi P. Satra (Acquirers) belongs to the promoter group of Satra Properties (India) Limited (Target Company) and holds 9,63,71,831 Equity Shares constituting 62.03% of the total share capital of the Target Company.
2. The Acquirers has proposed to acquire 1,63,74,568 Equity Shares of the Target Company from Sicom Investment and Finance Limited (SIFL), which would increase the voting rights of the promoter group from 62.80% to 73.34% of the Target Company and would result into triggering Regulation 11(2) of SEBI (SAST) Regulations, 1997. Therefore the Acquirers have filed the present application seeking exemption from the applicability of provision of Regulation 11(2) of SEBI (SAST) Regulations, 1997.

SEBI granted the exemption to the acquirers from complying with the requirements of Regulation 11(2) of the SEBI (SAST) Regulations, 1997 where the proposed acquisition is through the release of pledged shares.

Grounds for exemption:

1. The Target Company has availed a loan of Rs. 60,00,00,000 from SIFL and the acquirers had pledged 3,90,00,000 equity shares of the Target Company as additional security towards the loan. Due to nonpayment of loan on time, SIFL invoked the pledge on 50,00,000 shares of Mrs. Minaxi P. Satra and 1,75,00,000 shares of Mr. Praful N. Satra.
2. Out of 2,25,00,000 shares invoked by SIFL, the Company has sold 61,25,432 shares till June 19, 2010 and the remaining shares are still with SIFL. After the payment of loan, SIFL have

agreed to transfer the remaining unsold 1,63,74,568 shares held by it to the promoters/acquirers.

3. The proposed acquisition is with reference to acquiring back the invoked but unsold shares of the acquirers held by SIFL.
4. No change in control.
5. Minimum public shareholding would be maintained.

Decision:

On the basis of above facts and circumstances of the case, SEBI granted the exemption to the acquirers from complying with the requirements of Regulation 11(2) of the SEBI (SAST) Regulations, 1997 in respect of the proposed acquisition of 1,63,74,568 equity shares of the Target Company through the release of shares pledged with SIFL. The exemption is granted subject to the condition that the facts and statements given by the acquirers are true and the acquirers will comply with the other provisions of SEBI Takeover Regulations, Buy Back Regulations, Listing Agreement or any other law as may be applicable.

Takeover Panel order in the matter of Religare Enterprises Limited

Facts:

Logos Holding Company Private Limited (Acquirer) is a closely held company belonging to Dhillon family. Mr. Gurinder Singh Dhillon, Mr. Gurpreet Singh Dhillon, Mrs. Nayantara Dhillon and Mr. Gurkirat Singh Dhillon (Transferors) are together holds 2,49,61,860 equity shares constituting 19.53% of the paid up equity share capital of Religare Enterprises Limited (Target Company). The shares held by the transferors are proposed to be transferred to the Acquirer, which is the investment arm of Dhillon family, in order to consolidate the individual shareholding of the proposed transferors in the target company for operational convenience.

SEBI granted the exemption to the acquirers from complying with the requirements of Regulation 10 of the SEBI (SAST) Regulations, 1997 where the proposed acquisition is for the purpose of consolidation of individual shareholdings of the Transferors in the Target Company.

Therefore the Acquirer has filed the application under Regulation 4(2) read with 3(1)(l) of SEBI (SAST) Regulations, 1997 seeking exemption from the applicability of Regulation 10 of SEBI (SAST) Regulations, 1997.

Grounds of exemption

1. The ownership of 19.53% of share capital of the target company, post the proposed transfer in favour of the acquirer would continue to remain with the proposed transferors, as the acquirer is fully owned and managed by the proposed transferors along with their other family members.
2. No change in control of the Target Company.
3. The sole objective behind the proposed transfer is to streamline the scattered holdings held by the individual members of the Dhillon family.
4. The proposed acquisition would not be prejudicial to the interest of the Target Company or its shareholders, including the public shareholders.
5. The proposed acquisition is incidental to the internal arrangement of shareholding by the proposed transferors and is not a pro-active acquisition by the acquirer.

Decision:

WTM observed that in the disclosures filed by the Target Company under Regulation 7(3) pursuant to the rights issue, the proposed transferors are shown as acquirer/persons acting in concert. Further none of the proposed transferors, who are public shareholders in the target company, are on the board of the Target Company or in control of the same. Moreover, there would be no change in the control of the Target Company and public shareholding would be maintained. The acquirer is wholly owned and managed by the transferors along with their family members. It is further stated that the transfer would be made for a consideration at the prevailing market price.

Therefore, considering all the facts and circumstances of the case, WTM granted the exemption to the Acquirer in respect of its acquisition of 19.53% of the paid up equity capital of the Target Company by way of transfer from the proposed transferors. The acquirer shall complete the proposed acquisition within thirty days from the date of passing of this Order and thereafter file a report on the same with the SEBI within fifteen days.

Facts:

1. Mr. Deepak Balkrishnan Sekhri and Mrs. Anita Deepak Sekhri (Acquirers) along with PACs belong to the promoter group of Shree Ganesh Forgings Limited (Target Company) and collectively hold 55.22% of the paid up capital of the Target Company.
2. The Target Company has requested the CDR Cell for restructuring its debts which was sanctioned by the CDR Cell on March 15, 2010, whereby the Acquirers contribution was fixed at Rs. 6,00,00,000 against which they could issue the share capital of the Target Company. As per the terms and conditions of the CDR package, the Target Company proposes to allot 48,70,130 shares to the Acquirers by way of preferential allotment which would increase the shareholding of the promoter group (including Acquirers and PACs) from 55.22% to 66.78% of the paid up capital of the Target Company, thereby triggering Regulation 11(2) of the SEBI (SAST) Regulations, 1997.
3. Therefore the Acquirers have filed the present application seeking exemption from the applicability of provision of Regulation 11(2) of SEBI (SAST) Regulations, 1997

SEBI granted the exemption to the acquirers from complying with the requirements of Regulation 11(2) of the SEBI (SAST) Regulations, 1997 where the proposed acquisition is through preferential allotment as per the terms and conditions stipulated by CDR package.

Grounds for exemption:

1. The acquisition under the preferential allotment is to be made to comply with the terms and conditions of CDR scheme and not with the purpose of increasing the shareholding of the Acquirers/Promoters.
2. No change in control.
3. The exemption would be in interest of the Target Company and its shareholders.
4. Minimum public shareholding would be maintained.

Decision:

On the basis of above facts and circumstances of the case, SEBI granted the exemption to the acquirers from complying with the requirements of Regulation 11(2) of the SEBI (SAST)

Regulations, 1997 in respect of the proposed acquisition of 48,70,130 equity shares of the Target Company at a price of Rs. 12.32 per share by the Acquirers through preferential allotment. The exemption is granted subject to the condition that the facts and statements given by the acquirers are true and the acquirers will comply with the other provisions of SEBI Takeover Regulations, Buy Back Regulations, Listing Agreement or any other law as may be applicable. The Acquirers shall further file a report with SEBI confirming compliances of the order.

Adjudicating Officer/WTM Orders

Target Company		Noticee	Alleged Violation	Decision Taken/ Penalty imposed
Tripex Overseas Limited		Mr. Ashok P. Jain	Regulations 7(1), 8(2), 11(1) and 12 of SEBI (SAST) Regulations, 1997 and Regulation 3(d), 4(2) (f) and 4(2) (r) of SEBI (PFUTP) Regulations, 2003.	Rs. 5,00,000 for the violation of SEBI (PFUTP) Regulations, 2003.
Silicon Leasing and Investment Limited		Silicon Leasing and Investment Limited	Regulation 6(2), 6(4) and Regulation 8(3) of SEBI (SAST) Regulations, 1997	Rs. 1,00,000
Scenario Media Limited		Scenario Communications Limited	Regulation 44 and 45 of SEBI (SAST) Regulations, 1997	Rs. 25,000
Asian Films Productions and Distribution Limited (Formerly known as K C Bokadia Films Limited)		Asian Films Productions and Distribution Limited (Formerly known as K C Bokadia Films Limited)	Regulation 7(3) and 8(3) of SEBI (SAST) Regulations, 1997 and Regulation 13(6) of SEBI (PIT) Regulations, 1992	Rs. 5,00,000

Prudential Pharmaceuticals Limited	Aditi A Dalal	Regulation 7 of SEBI (SAST) Regulations, 1997	Rs. 2,50,000
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Consent Order in the matter of Shakti Met-Dor Limited

Smt. C. Anupama Reddy and Smt. M. Uma Raju (Applicants) had voluntarily filed the consent application for delay in compliance of Regulation 3(4) of SEBI (SAST) Regulations, 1997. The applicants subsequently modified the consent application and propose the settlement for possible delay in compliance of Regulation 7(1) and Regulation 7(1A) of SEBI (SAST) Regulations, 1997 and proposed to pay a sum of:

- i. Rs. 1,00,000 each by Smt. C. Anupama Reddy and Smt. M. Uma Raju for delay in compliance of Regulation 7(1) of SEBI (SAST) Regulations, 1997, and
- ii. Rs. 2,00,000 by Sri M V S S Subba Raju and Sri C Shashidar Reddy or delay in compliance of Regulation 7(1A) of SEBI (SAST) Regulations, 1997.

The terms as proposed by the applicant were placed before HPAC and on the recommendation of HPAC, SEBI settle the above non compliance of the applicants.

Consent Order in the matter of DISA Holding II A/S and DISA Holding A/S

1. As on 05.01.2007, DISA Holding A/s indirectly and directly through the appellant holds 74.27% shares in the DISA India Limited (Target Company). On the same day, 100% shareholding in DISA Holding A/s was acquired by another group company namely DISA Holding II A/s from its eleven shareholders.
2. Each of the transferors were allotted exact number of shares in the transferee company as were held by them in DISA Holding A/s prior to the transfer of their shares to the transferee.
3. The transferors are the promoters of the Target Company within the meaning of regulation 2(1)(h)(a) of SEBI (SAST) Regulations, 1997. The transferee is also owned and controlled by the transferors in the same proportion as in DISA Holding A/s, prior to the transfer. Thus, the acquisition was exempt in terms of regulation 3(1)(e)(iii) of SEBI (SAST) Regulations, 1997. However, the transferee fails to give the intimation under regulation 3(3) and report under regulation 3(4) of SEBI (SAST) Regulations, 1997.

4. Therefore, DISA Holding II A/S and DISA Holding A/S (Applicants) have voluntarily filed the consent application on February 10, 2009 for the settlement of their violation and proposed to pay settlement charges of Rs. 5,00,000. The terms as proposed by the applicants were placed before HPAC and on the recommendation of HPAC, SEBI settle the above non compliance of the applicants.

Consent Order in the matter of DISA Holding AG

1. On January 28, 2005, DISA Holding AG (DHAG) (Applicant) has acquired 8500 shares of DISA India Limited (Target Company), thereby, increasing its shareholding from 62.005% to 62.0567% requiring the Open Offer be made to the shareholders of the Target Company. However, the appellant failed to make Open Offer under Regulation 11(2) of SEBI (SAST) Regulations, 1997 in the year 2005.
2. As on 05.01.2007, DISA Holding A/s indirectly and directly through the appellant holds 74.27% shares in the Target Company. On the same day, 100% shareholding in DISA Holding A/s was acquired by another group company namely DISA Holding II A/s.
3. Subsequently, on 09.03.2008, Hamlet Holding II APS acquired the entire shareholding of DISA II A/s and made the Open Offer along with DISA Holding II A/s, appellant and DISA Holding A/s at a price of Rs.1657/- per share which has been disputed by SEBI in an appeal pending before the Hon'ble Supreme Court of India. Had the offer was made on 28.01.2005, the Offer Price could be Rs.270 per shares. Further, adding the interest, the Offer price would be Rs.378 per share which is below the Offer Price offered by the appellant.
4. Now the applicant has voluntarily filed the consent application for settlement of its violation and proposed to pay settlement charges of Rs. 25,00,000. The terms as proposed by the applicant were placed before HPAC and on the recommendation of HPAC, SEBI settle the above non compliance of the applicant.

Consent Order in the matter of Rasoi Limited

Rasoi Limited (Applicant) had failed to disclose to the Stock Exchange where the shares of the company are listed the shareholding of promoters or persons acting in concert as referred to in Regulation 8(1) of SEBI (SAST) Regulations, 1997, within 30 days from the financial years ending March 31 1998 and 1999 and within 30 days from the record dates fixed for the declaration of dividend during the years between 1998 and 2005, thereby violating the provision of Regulation 8(3) of SEBI (SAST) Regulations, 1997. Therefore the applicant has voluntarily filed the consent application vide letter dated August 11, 2010 for the aforesaid violation and

proposed to pay a sum of Rs. 8,00,000 towards the settlement charges. The terms as proposed by the applicant were placed before HPAC and on the recommendation of HPAC, SEBI settle the above non compliance of the applicant.

Consent Order in the matter of Rasoi Limited (Shri Raghu Nandan Mody and other promoters)

Shri Raghu Nandan Mody together with other promoters (Applicants) of Rasoi Limited did not disclose to the Company their shareholding and voting rights in the company for the financial year ending March 31 for the years 1998 and 1999 and for the record dates for the years 1998-2005 thereby violating the provision of Regulation 8(2) of SEBI (SAST) Regulations, 1997. Therefore the applicants has voluntarily filed the consent application vide letter dated August 11, 2010 for the aforesaid violation and proposed to pay a sum of Rs. 10,00,000 towards settlement charges. The terms as proposed by the applicants were placed before HPAC and on the recommendation of HPAC, SEBI settle the above non compliance of the applicant.

Latest Open Offers

Name of the Target Company	Name of the Acquirer and PAC	Details of the offer	Reason of the offer	Concerned Parties
<p>Jyothi Infraventures Limited</p> <p>Regd. Office Hyderabad</p> <p>Paid up capital Rs. 5.55 crore</p> <p>Listed At BSE, DSE, ASE and MSE</p>	<p>Tammineedi Sailaja</p>	<p>Offer to acquire 12,00,020 (23.52%) Equity Shares at a price of Rs. 4 per fully paid up equity share and Re. 1 for partly paid up share payable in cash</p>	<p>Regulation 10 & 12</p> <p>SPA to acquire 38,80,600 (64.68%) Equity Shares at a price of Re. 1 per share payable in cash.</p>	<p>Merchant Banker Arihant Capital Markets Limited</p> <p>Registrar to the Offer Venture Capital and Corporate Investments Private Limited</p>

<p>Visisth Mercantile Limited</p> <p>Regd. Office Mumbai</p> <p>Paid up capital Rs. 2.80 crore</p> <p>Listed At BSE</p>	<p>Rahul Shah and DSR Infotech Private Limited</p>	<p>Offer to acquire 5,60,000 (20 %) Equity Shares at a price of Rs. 172 per share payable in cash.</p>	<p>Regulation 10 & 12</p> <p>SPA to acquire 15,41,280 (55.05%) Equity Shares at a price of Rs. 40 per share payable in cash.</p>	<p>Merchant Banker Collins Stewart Inga Private Limited</p> <p>Registrar to the Offer Mondkar Computers Private Limited</p>
<p>Igarashi Motors India Limited</p> <p>Regd. Office Chennai</p> <p>Paid up capital Rs. 13.87 crore</p> <p>Listed At BSE, NSE and MSE</p>	<p>Agile Electric Drives Technologies and Holdings Private Limited along with HBL Power Systems Limited</p>	<p>Offer to acquire 40,74,877 (20%) Equity Shares at a price of Rs 76.30 per fully paid up equity share payable in cash.</p>	<p>Regulation 10 & 12</p> <p>Preferential allotment of 65,00,000 (31.90%) equity shares and SPA with Igarashi Electric Works Ltd., Japan for the acquisition of 48,56,034 (35%) Equity Shares at a price of Rs. 60.74 payable in cash.</p>	<p>Merchant Banker MAPE Advisory Group Private Limited</p> <p>Registrar to the Offer Cameo Corporate Services Limited</p>

<p>Bio Whitegold Industries Limited Regd. Office Chennai</p> <p>Paid up capital Rs. 5.10 crore</p> <p>Listed At BSE, CSE & MSE</p>	<p>Starlite Infotech Limited, Tuff Tubes Private Limited, Vibgyor Gold Limited and Vibgyor Media Private Limited</p>	<p>Offer to acquire 10,20,320 (20%) Equity Shares at a price of Rs. 10 per share payable in cash.</p>	<p>Regulation 10 & 12</p> <p>SPA to acquire 36,78,100 (72.10%) Equity Shares at a price of Rs. 7.22 per share payable in cash.</p>	<p>Merchant Banker</p> <p>Intensive Fiscal Services Private Limited</p> <p>Registrar to the Offer</p> <p>Sharex Dynamic (India) Private Limited</p>
<p>The Ethelbari Tea Company (1932) Limited</p> <p>Regd. Office Kolkata</p> <p>Paid up capital Rs. 5 Lacs</p> <p>Listed At CSE</p>	<p>Jashbhai Patel and Sons HUF, Kantaben A Patel, Niraj Patel, Bipin Bhai Patel, Danish Nirajbhai Patel, Ansyaben Patel, Bipinbhai & Sons HUF, Niraj Kumar Patel HUF, Nita Patel, Hemang Mahendrabhai Patel, Mahendra Kumar Patel, Pritaben Patel, Mahendra Kumar & Sons HUF and Arpana Patel</p>	<p>Offer to acquire 10,000 (20 %) Equity Shares at a price of Rs. 1,384 per share payable in cash.</p>	<p>Regulation 10 & 12</p> <p>SPA to acquire 39,917 (79.83%) Equity Shares at a price of Rs. 1,384 per share payable in cash.</p>	<p>Merchant Banker</p> <p>Dalmia Securities Private Limited</p> <p>Registrar to the Offer</p> <p>Maheshwari Datamatics Private Limited</p>

<p>Subway Finance and Investment Company Limited</p> <p>Regd. Office Mumbai</p> <p>Paid up capital Rs. 1.10 crore</p> <p>Listed At BSE</p>	<p>AJS Enterprises LLP and AJS Nirman LLP</p>	<p>Offer to acquire 2,20,500 (20%) Equity Shares at a price of Rs. 18 per share payable in cash.</p>	<p>Regulation 10 & 12</p> <p>SPA to acquire 6,81,525 (61.82%) Equity Shares at a price of Rs. 18 per share payable in cash.</p>	<p>Merchant Banker</p> <p>Intensive Fiscal Services Private Limited</p> <p>Registrar to the Offer</p> <p>Sharex Dynamic (India) Private Limited</p>
<p>Ispat Industries Limited</p> <p>Regd. Office Kolkata</p> <p>Paid up capital Rs. 1300.14 crore</p> <p>Listed At BSE, NSE & CSE</p>	<p>JSW Steel Limited</p>	<p>Offer to acquire 64,72,38,458 (20%) Equity Shares at a price of Rs. 20.54 per share payable in cash.</p>	<p>Regulation 10 & 12</p> <p>Preferential allotment of 1,08,66,49,874 (45.53%) Equity Shares at a price of Rs. 19.85 per share</p>	<p>Merchant Banker</p> <p>Enam Securities Private Limited</p> <p>Registrar to the Offer</p> <p>Link Intime (India) Private Limited</p>
<p>Hifunda Limited</p> <p>Regd. Office Kolkata</p>	<p>Sanjay Kumar Sanghi and Ritesh Kumar Sanghi</p>	<p>Offer to acquire 18,38,120 (20%) Equity Shares at a price of Rs. 0.40 per share</p>	<p>Regulation 10 & 12</p> <p>SPA to acquire 64,33,860 (70%) Equity Shares at a price of Rs.</p>	<p>Merchant Banker</p> <p>Intensive Fiscal Services Private Limited</p> <p>Registrar to the</p>

Paid up capital Rs. 9.19 crore		payable in cash.	0.40 per share payable in cash.	Offer Niche Technologies Private Limited
Listed At CSE				

Hint of the Month

“*Delisting Threshold*” means the shareholding with respect to the share capital of the Target Company as of the last day of tendering period which entitles the exercise of ninety percent of the voting rights in a Target Company excluding the voting rights held by a custodian and against which depository receipts have been issued overseas.

{As substantiated from Regulation 2(1)(h) of SEBI (SAST) Regulations, 2010-TRAC Report}

Regular Section

Disclosure of Shareholding and Control

A comparison of SEBI (SAST) Regulations, 1997 and TRAC Report

Chapter II of SEBI (SAST) Regulations, 1997 provides for the disclosure of shareholding and control in a Listed Company which can be classified as Event Based Disclosure and Annual Disclosure. In the TRAC Report, the provisions relating to disclosure of shareholding are contained in Chapter V. A comparison of Chapter II of SEBI (SAST) Regulations, 1997 and Chapter V of TRAC Report is detailed below:

EVENT BASED DISCLOSURE

SEBI (SAST) Regulations, 1997				TRAC Report			
Reg. No.	Triggering Event	To whom and by whom	Time Period	Reg. No.	Triggering Event	To whom and by whom	Time Period
7(1)	Acquisition of more than 5%, 10%, 14%, 54% and 74% of shares or voting rights	To the Target Company and Stock Exchange by the Acquirer	Within 2 days of: a. Receipt of intimation of allotment of shares; or b. The acquisition of shares or voting rights.	28(1)	Acquisition of 5% or more shares or voting rights	To the Target Company and Stock Exchange by the Acquirer	Within 2 business days of: a. Receipt of intimation of allotment of shares; or b. The acquisition of shares or voting rights.
7(1A)	Acquirer* already holding 15%-55% shares/voting rights, On acquisition/sale of 2% or more shares or voting rights	To the Target Company and Stock Exchange by the Acquirer/Seller	Within 2 days of such sale/purchase	28(2)	Acquirer** already holding 5% or more shares or voting rights, On acquisition/disposal of 2% or more shares or voting rights.	To the Target Company and Stock Exchange by the Acquirer/Seller	Within 2 business days of such acquisition/disposal
7(3)	On receipt of disclosures under Regulation 7(1) and 7(1A)	To the Stock Exchange by the Target Company.	Within 7 days of receipt of disclosure under Regulation 7(1) and 7(1A).	-	-	-	-

*Acquirer includes pledgee of shares other than Banks/FIs.

**Acquirer includes pledgee of shares other than Scheduled Commercial Banks and Public Financial Institution.

CONTINUAL DISCLOSURES

SEBI (SAST) Regulations, 1997				TRAC Report			
Reg. No.	By Whom	To whom	Time Period	Reg. No.	By Whom	To whom	Time Period
8(1)	Any Person holding more than 15% shares or voting rights	Target Company	Within 21 Days from the financial year ending 31st March	29(1)	Acquirer holding 25% or more shares or voting rights	Target Company & Stock Exchange	Within 15 business days from the end of each financial year
8(2)	Promoter / Person Having Control over Target Company	Target Company	Within 21 days i. From the financial year ending March 31 and ii. Record date for declaration of dividend.	29(2)	Promoter /Person having control over the Target Company	Target Company & Stock Exchange	Within 15 business days from the end of each financial year
8(3)	Target Company on the receipt of disclosure under regulation 8 (1) and (2)	Stock Exchange	Within 30 days i. From the financial year ending March 31 and ii. Record date for declaration of dividend.	-	-	-	-

DISCLOSURE OF PLEDGED/ENCUMBERED SHARES

SEBI (SAST) Regulations, 1997				TRAC Report			
Reg. No.	Triggering Event	By Whom and To whom	Time Period	Reg. No.	Triggering Event	By Whom and To whom	Time Period
8A(1)	Details of shares pledge	By the promoter or promoter group to Target Company	Within 7 working days from date of commencement of SEBI (SAST) (Amendment) Regulations, 2009	-	-	-	-
8A(2)	On the creation of pledge	By the promoter or promoter group to Target Company	Within 7 working days from the date of creation of pledge of shares.	30(1)	On the encumbrance of shares by the promoter or person acting in Concert with him	By the promoter to the Target Company & Stock Exchange	Within 7 business days from the date of creation of encumbrance
8A(3)	On the invocation of pledge on shares	By the promoter or promoter group to Target Company	Within 7 Working Days from the date of invocation of pledge	30(2)	On the invocation of invocation or release of such encumbrance by the promoter	By the promoter to the Target Company & Stock Exchange	Within 7 business days from the date of invocation of encumbrance
8A(4)	On pledge of aggregate* of 25000	By the Target Company to Stock	Within 7 working days of receipt of information	-	-	-	-

	shares or 1% of total share capital during a quarter	Exchange					
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*Aggregate means shares pledged during the quarter & shares already pledge

Case Study

An Analysis of Takeover Open Offer for Patni Computer Systems Limited

About Patni Computer Systems Limited (Patni)

Patni Computer Systems Ltd. is one of the leading providers of high quality, reliable and cost-effective Information Technology services and business solutions globally. It has strong domain capabilities in Insurance and Healthcare, Banking & Financial Services, Manufacturing, Telecom, Product Engineering Services, Life Sciences, Retail, Logistics and Transportation, Energy & utilities, Media and Entertainment industry verticals.

About iGate (Acquirer/iGate)

Headquartered in Fremont, California, **iGATE Corporation** is an Information Technology (IT) firm which provides complete end-to-end services that combine Consulting, Technology, Business Process Outsourcing & Provisioning. iGate has been ranked as the No. 1 employer of choice in India in IT/ITES sector by CNBC TV 18 and ranked No. 7 for excellence in credit card banking process outsourcing by the Black Book of Outsourcing.

About The Carlyle Group

Established in 1987, **The Carlyle Group** is a private global investment firm that originates, structures and acts as lead equity investor in management-led buyouts, strategic minority equity investments, equity private placements, consolidations and buildups, and growth capital financings.

Rumors about the Stake sale in Patni

Back in 2007, there were rumors in the market that three major shareholders, Patni brothers, Mr. Narendra Patni, Mr. Gajendra Patni and Mr. Ashok Patni (along with their group) and General Atlantic (GA) that holds slightly over 16 per cent in Patni, through American Depository Receipts are keen on selling their stake. However, there is no confirmation of such talks.

Takeover Bid for Patni

The race to acquire control of Patni Computer Systems resulted in a closely fought bidding war. Japanese players Fujitsu and NTT Docomo and a consortium of two private equity funds Carlyle and Advent International were also in the race to pick up a controlling stake in this mid-tier company. NASDAQ listed iGate is backed by the private equity firm Apax Partners LLP for the purchase of Patni Computers. Apax Partners will invest in an iGate holding company which may later be used as an intermediate vehicle to facilitate a merger between iGate and Patni. But the race for Patni Computer Systems has narrowed to two suitors — iGate-Apax Partners and the Carlyle-Advent International consortia.

Carlyle offer for Patni: Ahead of iGate

Carlyle-Advent submitted a bid of Rs.600 for a share. But the bid was also accompanied by rigid conditions as the bid is conditional upon several terms, including a non-compete clause that restricts the promoters, the three Patni brothers, from engaging in the same business and a clause providing for a lower bid price in case of any liabilities discovered at a later stage. However, Advent International wanted to offer a lower price for the Indian software industry and therefore, later on it withdrew from the bidding process. Thereafter, Carlyle Group bid on its own to buy control of Patni Computer.

iGate offer for Patni

iGate Corp and Apax Partners are close to buying 62% stake in Patni Computer Systems, in the second-biggest takeover of an Indian technology Company for around \$915 Mn. This values the Company at around \$1,452 Mn.

Patni is likely to be a leverage buyout. That is why the potential suitors have also secured financing from banks to fund the acquisition that is likely to cross a billion dollars. iGate-Apax have also managed to raise a credit line of over \$600 million from Standard Chartered Bank, Duetsche Bank and Barclays. Other than the line of credit, iGate has also initiated a process to raise up to \$392 million by selling 16 million shares. The Nasdaq-listed Company has already applied to the US Securities and Exchange Commission for this.

Share Purchase Agreement with iGATE

On January 10, 2011, Patni informed the BSE that the promoters of the Company, namely Mr. Ashok Kumar Patni and members of AKP Group, Mr. Gajendra Kumar Patni and members of his GKP Group and Mr. Narendra Kumar Patni and members of NKP Group have entered into a Share Purchase Agreement with **Pan - Asia iGATE Solutions** and **iGATE Global Solutions Limited** ("Purchaser"), both of which are wholly owned subsidiaries of iGATE Corporation, for the sale of **43.6%** stake of the Company on a fully diluted basis.

Further, GA has also entered into Securities Purchase Agreements with **Pan Asia iGATE Solutions** for the sale of approximately **2.0%** stake on a fully diluted basis and for sale of 2,01,61,868 ADSs representing approximately **14.6%** of the issued and paid up share capital of the Company on a fully diluted basis.

The **sale price** under the SPAs is **Rs. 503.5** per equity share. The transaction is valued at \$1.22 billion.

No non-compete consideration: The Board was further informed that apart from the consideration that the Promoter Group and GA would be receiving as setting shareholders, the Promoters Group and GA are not receiving any other payments from the Acquirers.

Mandatory Open Offer

As the acquisition constitutes more than 15% of the share capital of Patni, therefore, on January 11, 2011, iGate has also made a mandatory Open Offer to the public shareholders of Patni in accordance with the requirements of SEBI (SAST) Regulations, 1997 to purchase up to 20% of the fully diluted share capital of the Company. Further, iGate will also comply with the obligations of the U.S. Securities Exchange Act of 1934 and the rules and regulations of the U.S. Securities and Exchange Commission.

Market Update

Tata Chemicals Acquires UK's British Salt

Tata Chemicals Limited through its wholly owned UK subsidiary Brunner Mond has acquired one of UK's largest manufacturers of pure dried vacuum salt British Salt Limited for around Rs.656.48 Cr. The entire acquisition will be funded through debt.

LinguaNext acquires Image Point Technologies

LinguaNext has acquired Pune-based Image Point Technologies Pvt Ltd. The acquisition will help LinguaNext plans to offer local language solutions especially in the e-governance, insurance and human resource verticals.

Merlion India Fund Stake sale In ABG Shipyard

Merlion India Fund has sold another 2 Mn shares constituting 3.93% in ABG Shipyard Ltd at Rs.367.62 per share aggregating to Rs.73.52 Cr. through bulk deal on BSE.

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