



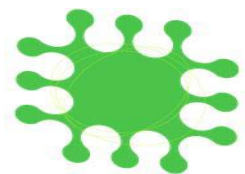
Takeover Panorama

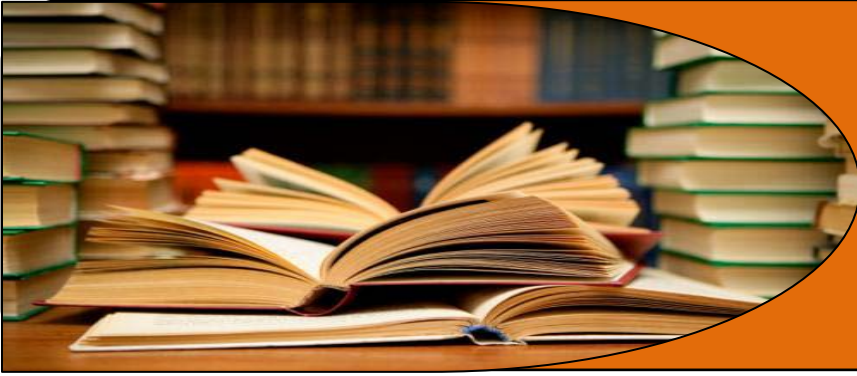
A Monthly Newsletter by Corporate Professionals

Year VIII-Vol II

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LEGAL UPDATES

SAT order in the matter of Ambaji Papers Pvt. Ltd., Inco Infrastructure Pvt. Ltd., Kanhaiya Mining & Minerals Pvt. Ltd., Ramji Business Pvt. Ltd. and Runicha Alloys & Steel Pvt. Ltd.

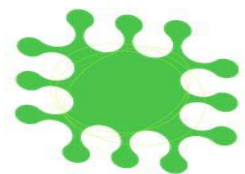
Facts:

The present appeal is filed by Ambaji Papers Pvt. Ltd., Inco Infrastructure Pvt. Ltd., Kanhaiya Mining & Minerals Pvt. Ltd., Ramji Agri Business Pvt. Ltd. and Runicha Alloys & Steel Pvt. Ltd. (Appellants) against the order dated September 30, 2013 passed by Adjudicating Officer (Respondent) imposing a penalty of Rs. 5,00,000/- on each of the appellant for the violation of Regulation 7(1) and 7(2) of SEBI (SAST) Regulations, 1997 read with Regulation 35(2) of SEBI (SAST) Regulations 2011 as well as Regulations 13(1), 13(3) and 13(5) of SEBI (PIT) Regulations, 1992.

The Hon'ble Tribunal reduced the penalty from Rs.5,00,000 to Rs.1,00,000 for the violation of Regulation 7 as the information regarding the allotment of equity shares was duly informed to the shareholders by the Target Company.

Brief facts of the case:

1. Murli Industries Limited (MIL) (Target Company) is a public limited Company listed on BSE Limited (BSE) and National Stock Exchange (NSE), (Collectively referred as "Stock Exchanges")
2. On April 30, 2005, the board of directors approved the issuance of 60 lacs preferential warrants to certain allottees, including the five appellants. After obtaining approval of the shareholders in the AGM held on May 25, 2005, the Target Company allotted 5 lacs warrants to each of the appellants.
3. MIL informed BSE regarding the approval of allotment as well as conversion of shares. On conversion of shares, the appellant came to acquire 5.22% shareholding i.e. 0.22 per cent more than the limitation prescribed by the regulations. However, no disclosure as required under Regulation 7(1) and 7 (2) of SEBI (SAST) Regulations, 1997 has been filed with Stock Exchanges.



Issues: Whether the penalty of Rs. 5 lacs imposed on each of the appellant is justified?

Decision:

SAT observed that on each and every stage of allotment of warrants till their conversion into shares, the Target Company duly kept the stock exchanges informed. All the developments have also been displayed on the website of BSE from time to time. Thus, the public at large as well as the shareholders had due knowledge of the acquisition of number of shares by the appellants. This information also duly includes the exact percentage of decrease in promoter's shareholding and the corresponding increase in the public shareholding. No one was deprived of this important information. Therefore, the charge levelled against the appellants to this extent is superfluous.

A reading of Regulation 7 of SEBI (SAST) Regulations, 1997 read with Regulation 35(2) of SEBI (SAST) Regulations, 2011 clearly points out that not only the company, but an acquirer is also required to inform the stock exchanges at every stage of aggregate of the shareholding or voting rights in the company. The object underlying these regulations is, therefore, unequivocally to bring more transparency by dissemination of complete information to the public as well as shareholders at large not only by the concerned company but by the individual acquirer as well. To this extent, the appellants, though inadvertently and without any intention, have defaulted in complying with the regulations regarding disclosures in question in our considered view and in the facts and circumstances of the present cases.

After considering all the facts and circumstances of the case, SAT reduced the penalty from Rs.5,00,000 to Rs.1,00,000 on each applicant for the violation of Regulation 7 of SEBI (SAST) Regulations, 1997 read with Regulation 35(2) of SEBI (SAST) Regulations, 2011.

SAT Order in the matter of Mrs. Komal Nahata

Facts:

The present appeal is filed by Mrs. Komal Nahata (Appellant) against the order dated September 30, 2013 passed by SEBI (Respondent) imposing a penalty of Rs. 1,00,000/- on the appellant for the violation of Regulation 7 (1) and regulation 7(2) of the SEBI (SAST) Regulations, 1997 and Regulation 13(1) and Regulation 13(3) read with regulation 13(5) of SEBI (PIT) Regulations, 1992.



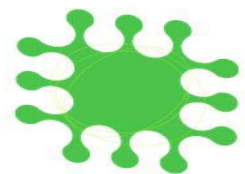
Brief Facts of the Case:

1. The Appellant is a house wife and a post graduate in commerce and is also engaged in carrying on the profession of consultancy. In addition to consultancy profession, appellant has been advancing short term loan to various companies with a view to earn interest income.
2. Sometime in August 2010, Appellant had agreed to advance loan to Gujarat Metallic Coal & Coke Ltd. formerly known as Arvind Chemicals Ltd., ("ACL"/"Target Company") by creating lien on 3,75,000 shares of Arvind International Limited held by ACL. In anticipation of getting loan from appellant, ACL transferred 3,75,000 (5.35%) shares of Arvind International Limited to the demat account of appellant on September 13, 2010. Therefore, the appellant was required to make disclosure under SEBI (SAST) Regulations, 1997 and SEBI (PIT) Regulations, 1992.
3. However, no disclosure as required under Regulation 7 (1) and regulation 7(2) of the SEBI (SAST) Regulations, 1997 and regulation 13(1) and regulation 13(3) read with regulation 13(5) of SEBI (PIT) Regulations, 1992 has been filed with Stock Exchanges.

The Hon'ble Tribunal dismissed the appeal and held that penalty imposed is justified.

Submission made by the Appellant:

- I. In anticipation of receiving loan from appellant, ACL instead of creating a lien on the shares of Arvind International Limited, erroneously and without the knowledge of appellant, transferred 3,75,000 shares of Arvind International Ltd. to the demat account of appellant. However, since appellant did not get back her money which was advanced to another borrower, appellant could not advance loan to ACL. Accordingly 3,75,000 shares were transferred back by appellant to the demat account of ACL.
- II. Since erroneous transfer of shares was without consideration, title in those shares did not pass to the appellant as per the provisions of Sale and Goods Act, 1930 and, therefore, the transfer being incomplete, appellant held those shares as trustee of beneficial owner, namely ACL, till it was transferred back. In such a case, erroneous transfer of shares without consideration would not amount to trading in shares and consequently compliance of regulation 7(1) and regulation 7(2) of SEBI (SAST) Regulations, 1997 and regulation 13(1) and regulation 13(3) read with regulation 13(5) of SEBI (PIT) Regulations, 1992 did not arise.
- III. The entire transaction was erroneous and that appellant did not acquire any shares which were inadvertently credited to her demat account by mistake and the same has been retransferred back to the beneficial owner. There being no commercial transaction on account of no money being paid or received by either of the parties to the transaction.



Submission made by Respondent:

- I. It is only after appellant agreed to advance loan, ACL transferred shares to the demat account of appellant. Unless appellant had furnished her demat account number, ACL could not have transferred shares. Assuming that shares were erroneously transferred, no explanation is given as to how the shares remained in the demat account of the appellant for 43 days.
- II. Argument that erroneous transfer was without consideration and did not constitute trade is also without any merit because, for purposes of SAST Regulations what is relevant is acquisition of shares and once acquisition of shares exceeds the limits prescribed therein, provisions of SAST Regulations are triggered.
- III. Moreover, inspite of repeated opportunities, appellant has failed to explain as to when she came to know about transfer of shares in her demat account and why it took 43 days to retransfer shares to the beneficial owner.

Issues:

Whether the penalty of Rs. 1 Lac imposed on each appellant is justified.

Decision:

After analyzing the submissions made by the Appellant and Respondent, SAT found no merit in the appeal and the same is dismissed.

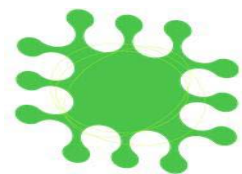
**SAT Order in the matter of Octant Industries Ltd. formerly known as
Kushal Software Ltd.**

Facts:

The present appeal is filed by Octant Industries Ltd. formerly known as Kushal Software Ltd. (Appellant) against the order dated February 04, 2013 passed by SEBI (Respondent) imposing a penalty of Rs. 12,57,500/- on the appellant for the violation of Regulation 10 of the SEBI (SAST) Regulations, 1997.

Brief Facts of the Case:

1. Respondent conducted an investigation into the buying, selling and dealings in the scrip of Axon InfoTech Ltd. (Axon) for the period from March 17, 2006 to September 19, 2006. The investigation revealed that on 5th April, 2006, the Appellant along with seven others



("collectively referred as "Appellants") acquired 32.02 percent shares/voting rights of Axon resulted in triggering Regulation 10 of SEBI (SAST) Regulations, 1997.

2. However, no public announcement as required under Regulation 10 of the SEBI (SAST) Regulations, 1997 has been made. Accordingly, SEBI imposed the penalty of Rs. 12,57,500 on the appellant.

The Hon'ble Tribunal dismissed the appeal and held that mere change in management on account of merger does not wash away the liabilities of the Company.

Submission made by the Appellants:

- I. The management of the appellant company has changed through a Scheme of Arrangement as approved by the Hon'ble High Courts of Mumbai and Andhra Pradesh on 26th November, 2010 and 6th October, 2010 respectively.
- II. Appellants contended that the alleged violations proved in the impugned order dated February 4, 2013 were not committed by the present promoters or directors of the Appellant Company.
- III. Appellants was never informed by the Respondent or given notice or given the opportunity to explain their case before passing the impugned order.

Submission made by Respondent:

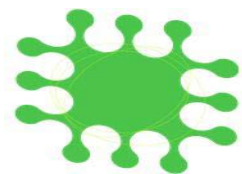
It is only the name of the Appellant Company that has changed from Kushal Software Ltd. to Octant Industries Ltd. The management/promoters/ directors of the present company are equally liable in law to meet out the liabilities incurred by the erstwhile promoters/directors of Kushal Software Ltd. as per law.

Issues:

Whether the penalty of Rs. 1,257,500 imposed on the appellant is justified?

Decision:

The Hon'ble Tribunal noted that the Scheme of Arrangement as approved by the two Hon'ble High Courts clearly provides that from the appointed date all debts, liabilities, duties, obligations of every kind, nature and description of the transferor companies shall also be deemed to be transferred to the transferee companies. In fact this is also the spirit of sections 391 to 394 of the Companies Act, 1956.



Therefore, we hold that mere change of name of a company does not wash away the liabilities despite the change of name of that of the promoters or the directors. The Appellant Octant Industries Ltd., i.e. erstwhile Kushal Software Ltd., is therefore required to discharge its liabilities either by itself or through any other entity including Five X Finance and Investment Ltd.

Thus, the Hon'ble Tribunal dismissed the appeal.

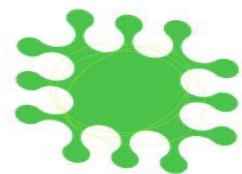
SAT Order in the matter of Axon InfoTech Ltd

The present appeal is filed by Mr. Giriraj Kishore Agarwal (Appellants 1), M/s Golden Steel Industries Pvt. Ltd. (Appellants 2) and Handful Investrade Private Limited (Appellants 3) against the order dated February 4, 2013 passed by SEBI (Respondent) imposing a penalty of Rs. 12,57,500/- on each appellant for the violation of Regulation 10 of SEBI (SAST) Regulations, 1997.

Brief facts of the case

1. Respondent conducted an investigation into the scrip of M/s. Axon InfoTech Ltd. (AIL/Target Company) for the period between March 17, 2006 to September 19, 2006. Investigation revealed that on April 3, 2006 and April 4, 2006, some eight entities namely Mr. Giriraj Kishore Agarwal ('GKA'), M/s. Kushal Software Ltd (KSL), M/s. Kushagra Software Ltd. (Kushagra), M/s. Shreeji Herbal Ltd. (SHL), M/s. Handful Investrade Pvt. Ltd. (HPL), Ms. Sheetal Kadam (SK), M/s. VRP Financial Services Pvt. Ltd. (VRP Financial) and M/s. Keystone Stone Finance Pvt. Ltd. (collectively referred as "Appellants") acting in concert with each other had acquired 32.02% shares/voting rights of Axon resulted in triggering Regulation 10 of SEBI (SAST) Regulations, 1997.
2. However no public announcement as required under Regulation 10 of the SEBI (SAST) Regulations, 1997 has been made. Accordingly Respondent imposed a penalty of Rs. 12,57,500 on each of the Appellants.

The Hon'ble Tribunal dismissed the appeal and held the order passed by the learned AO for the violation of Regulation 10 is justified.



Submission made by the Appellants:

The appellant contented that the element of a “common objective” as enshrined under regulation 2(1)(e) of the Takeover Regulations, 1997 which defines the concept of “persons acting in concert” (PAC), is a prerequisite to bringing certain persons under the definition of “PAC”. The factum of acquisition of shares in question on April 3rd and 4th, 2006 is not denied by the appellants; the only submission is that mere acquisition of such shares would not prove a “common objective”. Therefore, the provisions of section 10 are not attracted as the appellants have acted individually in the matter of acquisition of shares in question which taken together would constitute 33.02%, but not individually.

Issue:

Whether there has been a violation of Regulation 10 of SEBI (SAST) Regulations, 1997 by the appellants?

Decision:

SAT observed from the records provided by NSDL and CDSL that on April 3, 2006, one Mr. Dhiren Shukla transferred 30,000 shares of the Target Company to each of the six entities out of the eight entities, Thus, in all 1,50,000 shares were transferred in an off market transaction by Dhiren Shukla to these six entities on April 3, 2006. Similarly the remaining two entities has acquired 31,200 and 30,000 shares of AIL in the off market from the same person, namely, Shri. Dhiren Shukla on April 4, 2006.

It is evident from the records that the same person namely, Shri. Dhiren Shukla sold shares to all the eight entities including the three appellants before us at the rate of Rs. 2 each in the off market. It is vividly brought on record that at that time the price of the scrip of AIL in the market was in the range of Rs. 67 to Rs. 70. Therefore, transfer of bulk shares, that too at the same rate of Rs. 2 per share and in almost equal numbers to all the eight entities within two days is a clear indicator of the appellants having acted in concert with each other to acquire the shares/voting rights of AIL. Further the factual details of commonality of management and control of these eight entities are convincingly proved by the learned AO.

After considering the facts and circumstances of the case, the Hon'ble Tribunal dismissed the appeal.



Informal Guidance in the matter of Styrolution ABS (India) Limited

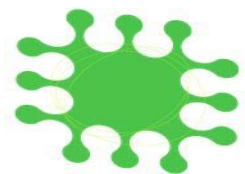
Facts:

1. Styrolution ABS (India) Limited (“Company”) is a public limited company incorporated under the Companies Act, 1956. The Equity shares of the Company are listed on BSE Limited and National Stock Exchange Limited (NSE).
2. Styrolution (Jersey) Limited, a company organized under the laws of Bailiwick of Jersey, united Kingdom (“Styrolution Jersey”) currently holds 13,189,218 (75%) of the total share capital of the Company.
3. The Styrolution group of companies, headquartered in Germany, is a 50-50 joint venture between BASF SE (“BASF”) and INEOS Industries Holding Limited (“INEOS Holdings”). In India, the Styrolution group operated through the Company and another company named Styrolution India Private Limited.
4. Styrolution I SEA Pte Ltd, a company organized under the laws of Singapore (“Styrolution Singapore”), has been identified as the regional headquarters for the Asia-Pacific business operations of the Styrolution group.
5. Styrolution Group GmbH Germany holds each 100% of shares in both Styrolution Jersey and Styrolution Singapore. Now Styrolution Jersey proposes to transfer its entire equity interest to Styrolution Singapore (“Proposed Transaction”).

For availing the exemption under Regulation 10 (1)(a)(iii), a company includes a company incorporated outside India provided that the other conditions as prescribed under the said regulations are complied with.

Issue:

Whether Regulation 10(1)(a)(iii) of SEBI (SAST) Regulations, 2011 is applicable to companies that have not been incorporated under the Companies Act and whether the acquirer, Styrolution Singapore, can rely on the exemption under Regulation 10(1)(a)(iii) of SEBI (SAST) Regulations while undertaking the Proposed Transaction and not be subject to an obligation to make an open offer to the shareholders of the Company under Regulation 3 and 4 of SEBI (SAST) Regulations.



Decision:

SEBI noted on a plain reading of Regulation 10(1)(a)(iii) of SEBI (SAST) Regulations, 2011 that **any acquisition involving a company, its subsidiaries, its holding company, other subsidiaries of such holding company, persons holding not less than fifty per cent of the equity shares of such company, other companies in which such persons hold not less than fifty per cent of the equity shares, and their subsidiaries, is exempted from obligation to make open offer under Regulation 3 and 4 subject to the fulfillment of conditions stipulated thereof.**

Regulation 10(1)(a)(iii) of SEBI (SAST) Regulations, 2011 deals with inter se transfer amongst the qualifying persons enlisted thereunder, Regulation 2(2) of SEBI (SAST) Regulations, 2011 provides that **“All other expressions unless defined herein shall have the same meaning as have been assigned to them under the Act or the Securities Contracts (Regulation) Act, 1956, (42 of 1956) or the Companies Act, 1956 (1 of 1956), or any statutory modification or re-enactment thereto, as the case may be.”**

Further, Section 4 of the Companies Act, 1956 provides for the meaning of “holding company” and “subsidiary” wherein the expression “company” includes any body corporate for the purposes of explaining the said relationship. The definition of ‘body corporate’ under Section 2(7) includes a company incorporated outside India.

Since Styrolution ABS (India) Limited (“Company”) is a subsidiary of Styrolution Jersey Limited, a wholly owned subsidiary of Styrolution Group GmbH Germany. Thus Styrolution Group GmbH Germany is the ultimate holding of Styrolution ABS (India) Limited. Styrolution Singapore is also a wholly owned subsidiary of Styrolution Group GmbH Germany. Thus Styrolution Jersey and Styrolution Singapore are wholly subsidiaries of the same holding company and the acquisition is a result of inter se transfer of entire equity interest from one of its subsidiary to the other.

Hence the proposed acquisition will fall within the general exemption provided under Regulation 10 (1)(a)(iii) of SEBI (SAST) Regulations, 2011.



Informal Guidance in the matter of R Systems International Limited

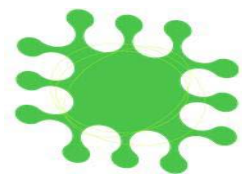
Facts:

1. R Systems International Limited (the “Company”) is an Indian Public Limited Company having its registered offices at B-104A, Greater Kailash-I, New Delhi – 110048. The shares of the company are listed on BSE Limited (“BSE”) and the National Stock Exchange of India Limited (“NSE”).
2. On December 15, 2011, Mr. Bhavook Tripathi (“Acquirer”), made a public announcement for the acquisition of 33,45,242 equity shares of the Company constituting 26% of the expanded equity share capital of the Company.
3. As on the date of post offer public announcement dated January 21, 2013, the Acquirer’s shareholding in the Company was 31.11% of the expanded equity share capital and public shareholding was 19.24%. Further, between January 21, 2013 and August 23, 2013, the Acquirer has additionally acquired approximately 477,083 (3.72%) equity shares of the expanded equity share capital of the company. As a consequence, the Acquirer’s holding in the company increased to 34.82% and with Promoter Group holding of 50.17%, the public shareholding in the company has further reduced to 15%.

Regulation 7(4) is not applicable in the present case as the post offer shareholding of the Acquirer in the Company is only 31.11%.

Submission made by the Company:

- The above acquisition has resulted in the shares of the company becoming illiquid.
- The Acquirer is neither a promoter nor a part of the promoter group nor is a person acting in concert with the promoters.
- While the definition of public shareholding as per SCRR only provides for exclusion of the shareholdings of the promoter and the promoter group, a reading of Regulation 7(4) of SEBI (SAST) Regulations, 2011 indicates that, if pursuant to an open offer, the non-public shareholding of the company is in excess of the “maximum permissible non-public shareholding”, then the acquirer is required to bring down the non-public shareholding to the level specified and within the time permitted under the Securities Contract (Regulation) Rules, 1957 (“SCRR”).
- Despite the Acquirer not being a promoter or a person acting in concert with the promoters, by virtue of his shareholding of 34.82% in the Company, the Acquirer has the ability to exercise significant influence over the affairs of the Company. One of the ways in which the acquirer may

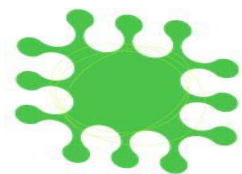


exercise such influence over the Company is through his ability to block matters which required approval of the shareholders by way of a special resolution under the Companies Act, 1956. Given that the public shareholders typically are not entitled to such rights, the Acquirer cannot be considered to be a “public shareholders.”

- Further Regulation 7(4) requires the **acquirer** and not the promoters to bring down to non public shareholding to the “maximum permissible non-public shareholding”. The Takeover Regulations clearly consider the acquirer to be a category separate from the public as well as the promoter and promoter group.
- The company further submitted that if the Acquirer is not considered to be a separate category from the public shareholders, it could lead to absurd consequences and interpretation. For instance it would then be feasible for one person to hold the entire “public shareholding” and the Company still being in compliance with the minimum public shareholding requirements.
- Therefore the non-public shareholding of the company in terms of Regulation 7(4) of SEBI (SAST) Regulations, 2011 would be the aggregate of the shareholding of
 - The Acquirer and person acting in concert with him (present holding 34.82% of the expanded capital)
 - The existing promoter and promoter group of the Company (presently holding 50.17% of the expanded capital)

Accordingly, the current non-public shareholding of the Company is 85% as opposed to the maximum permissible non public shareholding of 75%. Since the non-public shareholding of the company has exceeded beyond “maximum permissible non-public shareholding” of the company, therefore the acquirer is required to reduce its shareholding.

- The company further submitted that the Acquirer has made the open offer under Regulation 4 of SEBI (SAST) Regulations, 2011, although it has been mentioned under paragraph 3.1.2 of LOF that the Acquirer’s intention is not to have substantial holding of shares / control; and Acquirer would be considered as “public” till he actually acquires control.
- The definition of “control” is given in Takeover Regulations “as a right” to control policy decision of the company (with or without acquisition of shares/voting rights), irrespective of the intention of the Acquirer to exercise such right or not. Therefore the acquirer cannot be considered as part of the public shareholders of the company.



Issues:

- a) Whether the Shareholding of the Acquirer in the Company, following all acquisitions referred above, would be treated as a part of the non public Shareholding of the Company as contemplated under regulation 7(4) of SEBI (SAST) Regulations, 2011.
- b) If yes, giving that the non Public Shareholding of the Company has exceeded 75%, whether the Acquirer is required to reduce its shareholding in the company by such percentage which would ensure that the non public Shareholding in the company does not exceed 75%, within time period specified by SCRR.

SEBI View:

SEBI noted that in the paragraph 3.1.2 of the letter of offer dated December 22, 2012, it was mentioned that “notwithstanding the Open offer is being made under Regulation 4 of the SEBI (SAST) Regulations, 2011, the prime objective of the Acquirer behind the acquisition is the investment value in the Equity Shares of the Target Company and NOT substantial holding of shares/voting rights/control or management of the Target Company. Therefore, until and unless the Acquirer actually acquires control of the Target Company, the Acquirer would be considered as “public”.

Further the Company itself in the shareholding pattern filed with the stock exchanges for the quarter ended September 2013 has shown the Acquirer under the category of “Public” and holding more than 5% of the total number of shares of the company.

Therefore after considering the facts and submission made by the Company, SEBI held that the provision of Regulation 7(4) of SEBI (SAST) regulations, 2011 is not be applicable in the present case as post offer shareholding of the Acquirer in the Company was 31.11%.

Consent Order In the matter of Amulya Leasing and Finance Ltd

Amulya Leasing and Finance Ltd (Noticee/ALFL) had failed to comply with the provisions of Regulation 8 (3) of the SEBI (SAST) Regulations 1997 during the period 1998-2001 and 2005. Accordingly SEBI initiated adjudication proceedings against the Noticee.



Pending the adjudicating proceedings, the Noticee had filed the consent application to settle the above non-compliances on the payment of Rs. 2,95,375 towards settlement charges. The terms as proposed by the applicant were placed before High Power Advisory Committee (HPAC) and on the recommendation of HPAC, SEBI settle the above non-compliances of the Noticee.

**Consent Order in the matter of Essel Propack Limited (VEENA
INVESTMENT PRIVATE LIMITED)**

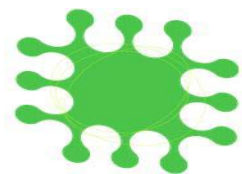
The promoters/PACs of Essel Propack Limited (**Essel**) including Veena Investments Private Limited (**Noticee**) had filed a report dated June 16, 2010 under Regulation 3(4) of SEBI (SAST) Regulations, 1997 (**SAST Regulations**) claiming non-applicability of Chapter III under Regulation 3(1)(e) of SEBI (SAST) Regulations, 1997. On examination of the said report, it has been observed that there was an inter-se transfer of shares among promoters. However Noticee failed to comply with the provisions of Regulations 3 (3) and delayed by 27 days in complying with Regulation 3 (4) of SEBI (SAST) Regulations, 1997.

Accordingly, SEBI initiated adjudication proceedings against the Noticee for the above non compliance. Pending the adjudicating proceedings, the Noticee had proposed to settle the above non-compliances on the payment of Rs. 2,00,000 towards settlement charges. The terms as proposed by the Noticee were placed before High Powered Advisory Committee (HPAC) and on the recommendation of HPAC, SEBI settle the above non compliances and disposes of said proceedings against the Noticee.

**Consent Order in the matter of Essel Propack Limited (PAN INDIA
PARYATAN LIMITED)**

The promoters/PACs of Essel Propack Limited (**Essel**) including **Pan India Paryatan Limited (Noticee)** had filed a report dated June 16, 2010 under Regulation 3(4) of SEBI (SAST) Regulations, 1997 (**SAST Regulations**) claiming non-applicability of Chapter III under Regulation 3(1)(e) of SEBI (SAST) Regulations, 1997. On examination of the said report, it has been observed that there was an inter-se transfer of shares among promoters. However Noticee failed to comply with the provisions of Regulations 3 (3) and delayed by 27 days in complying with Regulation 3 (4) of SEBI (SAST) Regulations, 1997.

Accordingly, SEBI initiated adjudication proceedings against the Noticee for the above non compliance. Pending the adjudicating proceedings, the Noticee had proposed to settle the



above non-compliances on the payment of Rs. 2,00,000 towards settlement charges. The terms as proposed by the Noticee were placed before High Powered Advisory Committee (HPAC) and on the recommendation of HPAC, SEBI settle the above non compliances and disposes of said proceedings against the Noticee.

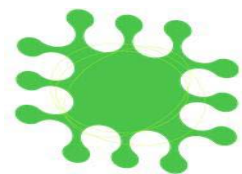
Consent Order in the matter of Essel Propack Limited (Rupee Finance & Management Private Limited)

The promoters/PACs of Essel Propack Limited (**Essel**) including **Rupee Finance & Management Private Limited (Noticee)** had filed a report dated June 16, 2010 under Regulation 3(4) of SEBI (SAST) Regulations, 1997 (**SAST Regulations**) claiming non-applicability of Chapter III under Regulation 3(1)(e) of SEBI (SAST) Regulations, 1997. On examination of the said report, it has been observed that there was an inter-se transfer of shares among promoters. However Noticee failed to comply with the provisions of Regulations 3 (3) and delayed by 27 days in complying with Regulation 3 (4) of SEBI (SAST) Regulations, 1997.

Accordingly, SEBI initiated adjudication proceedings against the Noticee for the above non compliance. Pending the adjudicating proceedings, the Noticee had proposed to settle the above non-compliances on the payment of Rs. 4,25,000 towards settlement charges. The terms as proposed by the Noticee were placed before High Powered Advisory Committee (HPAC) and on the recommendation of HPAC, SEBI settle the above non compliances and disposes of said proceedings against the Noticee.

Consent Order in the matter of Janardhan Trading Co. Limited, Birla Holdings Limited, Central India General Agents ltd. and Sukriti Education Society

Janardhan Trading Co. Limited, Birla Holdings Limited, Central India General Agents Ltd. and Sukriti Education Society (Applicants) have voluntarily filed the consent application in respect of delay of 101 days in filing the requisite information under Regulation 7(1A) of the SEBI (SAST) Regulations, 1997 and Regulation 13(4A) of SEBI (PIT) Regulations, 1992, when,



on account of non payment of dividend by the Target Company, voting rights accrued upon the applicants with respect to 14,94,000 cumulative redeemable preference shares which increased their voting rights from 33.92% to 42.72% of the paid up capital of the Target Company and proposed to settle the above non-compliances on the payment of Rs. 13,27,500 towards settlement charges. The terms as proposed by the applicant were placed before High Power Advisory Committee (HPAC) and on the recommendation of HPAC, SEBI settle the above non compliances.

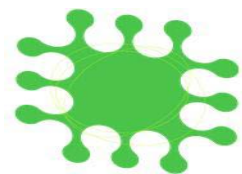
Consent Order in the matter Of Narendra Investment Delhi Limited

Narendra Investment Delhi Limited (Applicant) has voluntary filed the consent application for the non-compliance of the provisions of 6(2), 6(4) of SEBI (SAST) Regulations, 1997 as well as for a delay of 5214 days, 4849 days, 4483 days, 4118 days, 3753 days, 3388 days, 3023 days, 2657 days, 2292 days, 1927 days, 1561 days, 1196 days, 831 days and 466 days in filling the requisite annual disclosure under Regulation 8(3) of SEBI (SAST) Regulations, 1997 for the year 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010 and 2011 respectively. It was also submitted by the Applicant that there was no change in control of the applicant Company.

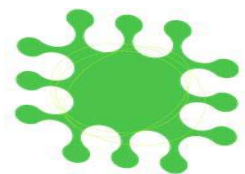
The applicant proposed to settle the above non-compliances on the payment of Rs. 6,33,750 towards settlement charges. The terms as proposed by the applicant were placed before High Power Advisory Committee (HPAC) and on the recommendation of HPAC, SEBI settle the above non compliances.

Adjudicating/WTM orders

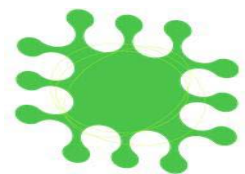
TARGET COMPANY	NOTICEE	REGULATIONS	PENALTY IMPOSED/ DECISION TAKEN
M/s Euro Finmart Limited	Shri Ashvarya Maheshwari, Shri Krishan Kumar Maheshwari, Ms.	Regulation 30(1), 30(2) read with 30(3) of the SEBI (SAST) Regulations, 2011	Rs. 5,00,000



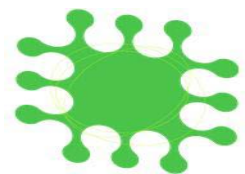
	Sandhya Maheshwari, Ms. Shobha Maheshwari, Shri Vinod Kumar Maheshwari and Shri Ashok Kumar Maheshwari		
M/s Euro Finmart Limited	Shri Kailash Saboo	Regulation 30(1), 30(2) read with 30(3) of the SEBI (SAST) Regulations, 2011	Rs. 1,00,000
M/s Euro Finmart Limited	Shri Kailash Dashottra	Regulation 30(1), 30(2) read with 30(3) of the SEBI (SAST) Regulations, 2011	Rs. 1,00,000
M/s Golden Tobacco Limited	Shri Sanjay Dalmia, Shri Anurag Dalmia, Shri Jyoti Prakash Khetan, Shri Raghunath Kumar, Shri Rishabh Jain and others	Regulation 23(1) of the SEBI (SAST) Regulations, 2011	Rs. 1,00,00,000
M/s Hind Syntex Limited	M/s Vishwa Securities & Finance Pvt. Ltd., Mr. Ravi Mohan, Ms. Gopali Chandra Mohan and Ms. Indumati R Maheshwari	Regulation 7(1A) read with Regulation 7(2) of SEBI (SAST) Regulations, 1997	Rs. 6,00,000
M/s Hind Syntex Limited	Mr. Shrigopal Dhoot, Ms. Pratibha Dhoot, Ms. Gopali Chandra Mohan, Vishwa Mohan (HUF), Ms. Shanta Devi, M/s Golkunda Commercial Private Limited, Mr. Ravi Mohan	Regulation 7(1A) read with Regulation 7(2) of SEBI (SAST) Regulations, 1997	Rs. 6,00,000



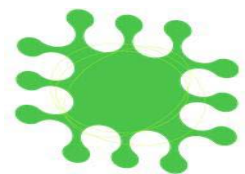
	and Ms. Indumati R Maheshwari		
M/s Hind Syntex Limited	Mr. Ravi Mohan, Ravi Mohan (HUF), Mr. Chandra Mohan, Vishwa Mohan (HUF), Mr. Vishwa Mohan, Mr. Siddartha Mohan, Ms. Indumati R Maheshwari, Ms. Gopali Chandra Mohan, Hind Filters Ltd., Hind Carpets Pvt. Ltd. and Vishwa Securities & Finance Pvt. Ltd.	Regulation 30(1) and 30(2) of the SEBI (SAST) Regulations, 2011	Rs. 2,00,000
M/s IB Infotech Enterprises Limited	Ms. Vasantha Kumaran and M/s Worldwide Management Consultancy Pvt Ltd	Regulation 8 (2) of SEBI (SAST) Regulation, 1997 and Regulation 29(1)/29 (2) read with 29 (3) and Regulation 30 (1)/30(2) read with 30 (3) of SEBI (SAST) Regulation, 2011	Rs. 10,00,000
M/s IB Infotech Enterprises Limited	M/s IB Infotech Enterprises Limited	Regulation 8(3) of the SEBI (SAST) Regulations, 1997	Rs. 4,50,000
M/s JMT Auto Limited	M/s JMT Auto Limited	Regulation 8(3) of the SEBI (SAST) Regulations, 1997	Rs. 12,00,000
M/s Rajoo Engineers Limited	Smt. Devyani Chandrakant Doshi and Shri Chandrakant Nanalal Doshi	Regulation 29(1) and 29(2) read with 29(3) of the SEBI (SAST) Regulations, 2011 and Regulation 13(1), 13(3) and 13(4A) read with Regulation 13(5) of SEBI (PIT)	Rs. 12,00,000



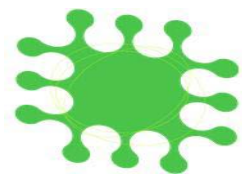
		Regulations, 1992	
M/s Gaylord Commercial Company Limited	Mr. Vijay Jain, Ms. Urvashi Jain, Ms. Sunita Jain, Ms. Shivani Jain & Vijay Jain HUF	Regulation 30(2) read with Regulation 30(3) of the SEBI (SAST) Regulations, 2011	Rs. 3,00,000
M/s Gaylord Commercial Company Limited	M/s Gaylord Commercial Company Limited	Regulation 8(3) of the SEBI (SAST) Regulations, 1997	Rs. 2,00,000
M/s Vybra Automet Limited	M/s Vybra Automet Limited	Regulation 8(3) of the SEBI (SAST) Regulations, 1997 read with Regulation 35 of SEBI (SAST) Regulations, 2011	Rs. 6,00,000
M/s Vybra Automet Limited	V. A. Norhi and B.Y. Somayajulu	Regulation 11(1) read with regulation 14(1) and regulation 7(1A) read with regulation 7(2) of SEBI (SAST) Regulations, 1997	Rs. 15,00,000
M/s Vybra Automet Limited	Mr. Vilas Valunji, Mr. Partha Debnath and Mr. Janardhan Shrinivas Purandare	Regulation 14(1) of SEBI (SAST) Regulations, 1997 read with Regulation 35 of SEBI (SAST) Regulations, 2011	Rs. 5,00,000
M/s JMG Corporation Limited	M/s JMG Corporation Limited	Regulation 7(3) of the SEBI (SAST) Regulations, 1997 read with Regulation 35 of SEBI (SAST) Regulations, 2011	Rs. 3,00,000
M/s Zenith Capitals Limited	M/s Zenith Capitals Limited	Regulation 8(3) of the SEBI (SAST) Regulations, 1997	Rs. 5,00,000



M/s Zenith Capitals Limited	Aditya Vikram Singi, Ghanshyam Singi-HUF, Sita Devi Singi, Ghanshayamdas Gopaldas Singi, Jamaica Trading and Finance Pvt. Ltd., Matushree Finance and Investment Pvt. Ltd., Monandrous Trading and Finance Pvt. Ltd., Zeal Real Estate Ltd., Zest Agencies and Trading Pvt. Ltd., Zest Iron Agencies Pvt. Ltd.	Regulation 30(2) read with 30(3) of the SEBI (SAST) Regulations, 2011	Rs. 1,00,000
M/s C G Vak Softwares & Exports Limited	Shri. G. Suresh	Regulation 7(1) read with Regulation 7(2) of the SEBI (SAST) Regulations, 1997 and 13(4) read with Regulation 13(5) of the SEBI (PIT) Regulations, 1992	Rs. 5,00,000
Shree Surgovind Tradelink Limited	Shree Surgovind Tradelink Limited	Regulation 8(3) of the SEBI (SAST) Regulations, 1997.	Rs. 6,00,000
Shree Surgovind Tradelink Limited	Mr. Virat Sevantilal Shah, Mr. Alok Virat Shah and Mr. Rajan Sevantilal Shah	Regulation 7(1) r/w Regulation 7(2) of the SEBI (SAST) Regulations, 1997 and Regulation 29(2) read with Regulation 29(3) of the SEBI	Rs. 5,00,000



		(SAST) Regulations, 2011	
M/s Hydro S & S Industries Limited	M/s Machino Finance Private Limited	Regulation 7(1) read with 7(2) of SEBI (SAST) Regulations, 1997.	Matter Disposed Off
M/s Bloom Dekor Limited	Mr. Ramesh Shah	Regulation 11(1) read with Regulation 14 (1) of the SEBI (SAST) Regulations, 1997	Matter Disposed off
M/s Blue Blends (India) Limited	M/s Blue Blends Leasing Pvt. Limited	Regulation 7(1A) read with regulation 7(2) of the SEBI (SAST) Regulations, 1997	Rs. 400,000
M/s Blue Blends (India) Limited	M/s Bindal Synthetics Private Limited	Regulation 7(1A) read with regulation 7(2) of the SEBI (SAST) Regulations, 1997	Rs. 400,000
M/s Champion Finsec Limited	M/s Champion Finsec Limited	Regulation 8(3) of SAST Regulations, 1997	Rs. 500,000
M/s Hindustan Unilever Limited	M/s Unilever PLC, M/s Brook Bond Group Limited, M/s Brooke Bond Assam Estates Limited and others	Regulations 8(1) & (2) of SEBI (SAST) Regulations, 1997 and regulation 30(2) read with 30(3) of SAST Regulations, 2011	Rs. 50,00,000
M/s Pal & Paul Builders Limited	M/s Pal & Paul Builders Limited	Regulation 8(3) of SEBI (SAST) Regulations, 1997	Rs.10,00,000
M/s Safari Industries (India) Limited	M/s Safari Investments Private Limited	Regulation 8(1) and 8(2) of SEBI (SAST) Regulations, 1997	Rs. 200,000
M/s Safari Investments Private Limited	Shri Amul Sumatichandra Mehta, Shri Yugesh Sumatichandra Mehta & others	Regulation 8(2) of SEBI (SAST) Regulations, 1997	Rs.24,00,000

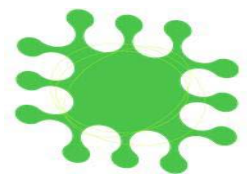


M/s Technical Associates Infrapower Limited	Shri Vibhu Agarwal	Regulation 7 (1A) read with 7(2) of SEBI (SAST) Regulations, 1997	Matter Disposed off
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HINT OF THE MONTH

“Encumbrance” shall include a pledge, lien or any such transaction, by whatever name called.” The promoters have to understand the nature of encumbrance and those encumbrances which entail a risk of the shares held by promoters being appropriated or sold by a third party, directly or indirectly, are required to be disclosed to the stock exchanges in terms of the Takeover Regulations, 2011.

{As substantiated from FAQ of SEBI on SEBI (SAST) Regulations, 2011}





Latest Open Offers

Target Company
M/s Shree Renuka Sugars Limited

Registered Office
Karnataka

Net worth of TC
Rs. 14,597 (31.03.2013)

Listed At
BSE &NSE

Industry of TC
Sugar

Acquirers
M/s Wilmar Sugar Holdings Pte. Ltd, M/s SRS Investments Pte. Ltd. (Acquirers) along with M/s Wilmar International Limited and current Promoter Group (PACs)

Triggering Event: Preferential Allotment Agreement (PPA) for the acquisition of minimum 183,287,071 (23.30%) and maximum of 257,491,592 (27.5%) equity shares along with control over the Target Company.

Details of the offer: Offer to acquire 243,161,683 (26.00%) Equity Shares at a price of Rs. 21.89/- per fully paid up shares payable in cash.

Target Company
M/s. Sterling Holiday Resorts (India) Limited

Registered Office
Mumbai

Net worth of TC
Rs. 523,196,447 (30.09.2013)

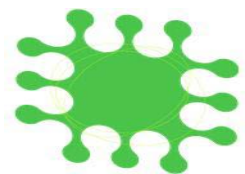
Listed At
BSE & MSE

Industry of TC
Hotels

Acquirer
Thomas Cook Insurance Services (India) Limited (Acquirer) & Thomas Cook (India) Limited (PAC)

Triggering Event: Share Subscription Agreement (SSA) for the acquisition of 20,650,000 (22.86%) equity shares and Share Purchase Agreement for the acquisition of minimum 11,592,846 (12.83%) and maximum 18,007,677 (19.94%) equity shares along with control over the Target Company.

Details of the offer: Offer to acquire 23,486,264 (26%) Equity Shares at a price of Rs. 98/- per fully paid up shares payable in cash.



Target Company

M/s SVC Resources
Limited

Registered Office

Mumbai

Net worth of TC

Rs. (288.79) lacs
(31.03.2013)

Listed At

BSE

Industry of TC

Mining

Acquirers

M/s Lorgan Lifestyle
Limited.

Triggering Event: Voluntary open Offer for substantial acquisition of shares and control over Target Company.

Details of the offer: Offer to acquire 18,078,667 Equity Shares at a price of Rs. 2.50 per fully paid up equity share payable in cash.

Triggering Event: Consolidation of Shareholding.

Details of the offer: Offer to acquire 2,650,000 (26.5%) Equity Shares at a price of Rs. 2000/- per fully paid up shares payable in cash.

Target Company

M/s. ICRA Limited

Registered Office

New Delhi

Net worth of TC

Rs. 33,92,375
(31.03.2013)

Listed At

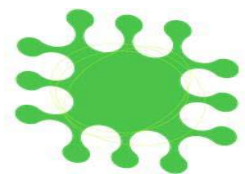
BSE and NSE

Industry of TC

Financial Services

Acquirer

Moody's Singapore Pte
Ltd.(Acquirer), Moody's
Investment Company
India Private Limited
and Moody's
Corporation. (PACs)





Regular Section

OBLIGATIONS OF THE TARGET COMPANY

SEBI (SAST) Regulations, 2011 that governs the acquisition of shares and control over the Target Company prescribes certain obligations to be complied with by the Target Company in the event of Open Offer by the Acquirer. The highlights of the same are given below:

- The business of the Target Company should be conducted in the ordinary course consistent with past practice.
- Requires the approval of shareholders of the Target Company by way of a special resolution by postal ballot to
 - Alienate of any material assets outside the ordinary course of business;
 - Effect any material borrowings outside the ordinary course of business;
 - Issue or allot any authorised but unissued securities entitling the holder to voting rights:

Provided that the target company or its subsidiaries may:

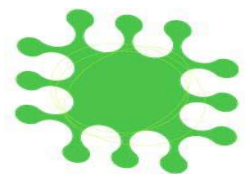
Issue or allot shares upon conversion of convertible securities issued prior to the public announcement of the open offer.

Issue or allot shares pursuant to any public issue in respect of which the red herring prospectus has been filed with the Registrar of Companies prior to the public announcement of the open offer.

Issue or allot shares pursuant to any rights issue in respect of which the record date has been announced prior to the public announcement of the open offer;

- Implement any buy-back of shares or effect any other change to the capital structure of the target company;
- Enter into, amend or terminate any material contracts to which the target company or any of its subsidiaries is a party, outside the ordinary course of business;
- Accelerate any contingent vesting of a right of any person to whom the target company or any of its subsidiaries may have an obligation;

- Prohibition to fix any record date for a corporate action on or after the third working day prior to the commencement of the tendering period and until the expiry of the tendering period.
- Required to furnish a list of shareholders as per the register of members of the target company and a list of persons whose applications for registration of transfer of shares are pending with the target company within two working days from the identified date.
- Constitution of a committee of independent directors to provide its written reasoned recommendations on the open offer to the shareholders of the Target Company and to publish such recommendations at least two working days before the commencement of the tendering period.
- Making available to all the Acquirers making competing offers, any information and co-operation provided to any Acquirer who has made a competing offer.
- Facilitating the acquirer in verification of shares tendered in acceptance of the open offer.
- Upon fulfillment of the conditions required under SEBI (SAST) Regulations, 2011 by the acquirer, the board of directors are required to register transfer of shares acquired by the acquirer in physical form without any delay.





NEWS

Market Updates

Reichle & De-Massari acquires Advanced Fiber Systems

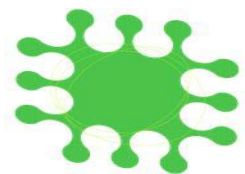
Reichle & De-Massari, Swiss manufacturer of passive cabling solutions has acquired the business and operating assets of Advanced Fiber Systems Private Limited, a Bangalore based telecom equipment manufacturing firm. The buy would increase R&M's headcount beyond 50 and also provide an industrial platform to strengthen its existing structured cabling business in India.

Acquisition of Jubilant's Hospital Business by Narayana Health

Bangalore based Narayana Health has acquired the hospital business from Jubilant First Trust Healthcare, a wholly owned subsidiary of Jubilant Life Sciences. The trust operates two hospitals in West Bengal, Kalpataru in Barasat and Rabindranath Thakur in Berhampore which have been transferred to Narayana on a going concern basis as a slump sale.

Manipal Health Buys S K Soni Hospital

Marking its entry into the northern part of India, Manipal Health has acquired Jaipur based S K Soni Hospital, a privately held multi specialty hospital. The buy forms a part of the ongoing growth strategy to expand footprint in India and emerging markets such as Middle East, Africa and Southeast Asian Nations.



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- ⊕ Corporate Funding;
- ⊕ Issue Management.

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