

Year VI—Vol V

May Edition

TAKEOVER PANORAMA

A Monthly newsletter by Corporate Professionals

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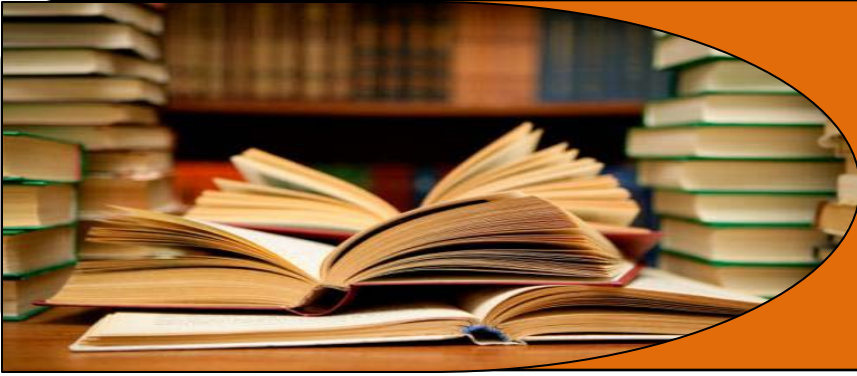
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LEGAL UPDATES

SAT Order in the matter of Rakesh Ramniklal

FACTS

1. This Appeal is filed before the Hon'ble SAT by Rakesh Ramniklal Sheth (Appellant) against the order passed by the Adjudicating Officer on September 30, 2011 imposing a penalty of Rs.25 Lakhs on the appellant for violating the provisions of Regulation 10 of SEBI (SAST) Regulations, 1997 in respect of acquisition of 17.77% shares of Genus Commutrade Ltd. (Target Company) on September 14, 2002 through off market transaction thereby increasing his shareholding from 2.96% to 20.72%.
2. In appeal, the appellant has contended that:
 - 2.1. The receipt of shares by him was merely to secure the repayment of money and was not the acquisition in a true sense as the shares were received without any corresponding consideration;
 - 2.2. It was simply the transfer of possession of shares without ownership for which declaration under section 187-C(1) of the Companies Act, 1956 was filed with the Target Company;
 - 2.3. No intention to make substantial acquisition of shares or to acquire control or takeover the management of the Target Company;
 - 2.4. The procedure for holding enquiries as laid down in the Enquiry Rules was not followed;
 - 2.5. There was an inordinate delay in passing of the order which vitiates the proceeding;
 - 2.6. The penalty imposed upon him is beyond the scope of section 15H of SEBI Act as the maximum penalty of Rs. 5 Lakhs could be imposed at the relevant time when the alleged violation took place.

Snapshot

Hon'ble SAT held that when the shares were transferred to the demat account of the appellant from the account of Atul H Shah and others (Transferors), it is an acquisition within the meaning of SEBI Takeover Regulations and the intention of the appellant is immaterial.



ISSUES:

1. Whether considering the contention of the appellant i.e. transfer was without ownership and was only to secure the repayment of money, the decision of AO holding the appellant guilty of violating the provisions of Regulation 10 of SEBI (SAST) Regulation, 1997 is acceptable?
2. Whether the penalty of Rs.25 lakhs imposed by the AO on the appellant is justifiable taking into account the provisions of Section 15H of SEBI Act?

DECISION:

1. With respect to the contention of appellant that Enquiry Procedure Rules are not followed and there has been inordinate delay in passing of the order:
 - 1.1. the Hon'ble SAT stated that show cause notice issued to the appellant clearly shows that opportunity was given to the appellant to show cause as to why an enquiry should not be held and why penalty should not be imposed. It is only after issue of such notice that another notice was issued granting the appellant opportunity of personal hearing;
 - 1.2. Further, even if we assume that there was some deficiency in the procedure, it has not caused any prejudice to the appellant in presenting his case since as many as three opportunities of personal hearing were given to him that he did not avail;
 - 1.3. It does not lie in the mouth of the appellant to make a complaint about the delay when he himself has not cooperated in the enquiry and has submitted reply to the show cause notice belatedly and has not cared to appear before adjudicating officer for personal hearing
2. As regards the contention of the appellant that transfer was without ownership and was only to secure the repayment is concerned, the Hon'ble SAT stated that this is not acceptable:
 - 2.1. In terms of Regulation 2(b) of SEBI (SAST) Regulation, 1997, when the shares were transferred to the demat account of the appellant from the account of Atul H Shah and others, it is an acquisition within the meaning of the Regulations and the intention of the appellant is immaterial.
 - 2.2. Further as regards the consideration for transfer of shares is concerned, Hon'ble SAT stated that the finance provided by the appellant to Atul H. Shah is the consideration for transfer of shares to the demat account of the appellant as the shares were transferred with an intention that in case



Atul H Shah makes default in repayment of finance then he can recover the same by selling them.

3. However, as regards the imposition of penalty is concerned, the Hon'ble SAT observed that AO has erred in imposing a penalty of Rs. 25 Lakhs on the appellant and reduced the penalty from Rs. 25 Lakhs to Rs. 2 Lakhs.

Informal Guidance in the matter of IDBI Trusteeship Services Ltd.

FACTS:

IDBI Trusteeship Services Limited (IDBI) is a SEBI registered Debenture Trustee providing services as a trustee for various banks and financial institution and holds pledge of shares as a security for the loans provided by Banks and Financial Institution.

Legal Provision

Proviso to Regulation 29 of SEBI (SAST) Regulations, 2011 specifically provides that the requirement of disclosure for encumbered shares is not applicable to a Schedule Commercial bank or public financial institution as pledgee for securing indebtedness in ordinary course of business.

Further Regulation 10(1)(b)(vii) and (viii) provides the exemption from making open offer under Regulation 3 and 4 to Scheduled Commercial Bank, acting as an escrow agent; and invocation of pledge by Scheduled Commercial Banks or Public Financial Institutions as a pledgee.

Proviso to Regulation 2(q)(2)(xii) does not apply to a bank whose sole role is that of providing normal commercial banking services in relation to open offer. Further Regulation 28(1)(3) provides that encumbrance shall include pledge, lien or such other transaction by whatever name called.

Snapshot

No Exemption is available to Debenture Trustees acting as a custodian or agent for the shares pledged on behalf of lenders under SEBI (SAST) Regulation, 2011

ISSUES:

Whether the exemption available to Schedule Commercial Banks and Public Financial Institution under Regulation 29 and 10(1)(b)(vii) and (viii) of SEBI (SAST) Regulation, 2011 is also available to the Trustees



and agents of Schedule Commercial Banks and Public Financial Institution who are acting for and on behalf of and for the benefit of Schedule Commercial Banks and Public Financial Institution?

Whether the term encumbrance also includes “Negative Lien and Undertaking for Non disposal of shareholding, Shares given on Power of Attorney”?

DECISION:

SEBI clarified that since IDBI Trusteeship Services Limited is a Debenture Trustee and there is no specific provision in SEBI (SAST) Regulation, 2011 providing exemptions to Debenture Trustees acting as a custodian or agent for the pledged shares on behalf of lenders. Therefore in absence of such provisions, IDBI is required to comply with all the relevant provisions under the Regulations.

Further with regard to query relating to the term encumbrance, SEBI held that the query is general in nature and does not involve any issue requiring interpretation/guidance under the scheme and has suggested IDBI to go through the Question No. 70 and 72 of Frequently Asked Question on the SEBI (SAST) Regulation 2011 available on the SEBI website.

Informal Guidance in the matter of IL&FS Trust Limited Company

FACTS:

IL&FS Trust Company Limited (ITCL) is an Intermediary registered with SEBI providing debenture trusteeship services as a trustee for bonds, debentures etc. to banks, Financial Institutions, corporate and non-corporate entities. While providing its services, it accepts pledge of shares as a trustee by way of securities offered against the loans granted by banks, FIs and NBFCs. The varied transactions are undertaken by ITCL in the ordinary course of its business activities. These transactions are not entered into for the purpose of substantial acquisition of shares, voting rights or control of the Target Company or with any prior agreement or understanding.

Snapshot

No Exemption is available to Debenture Trustees acting as a custodian or agent for the shares pledged on behalf of lenders under SEBI (SAST) Regulation, 1997 and SEBI (SAST) Regulations, 2011



ISSUES:

1. Whether ITCL in its capacity as a trustee being a pledgee for and on behalf of such banks and financial institutions will not be considered as an acquirer and would be exempt from the requirement of making disclosure under regulation 7 (1) & 7(1A) of SEBI (SAST) Regulations, 1997 and from making public announcement under regulation 10 of SEBI (SAST) Regulations, 1997 both before and after invocation of such pledge due to an enforcement action?
2. Whether in a transaction where shares are pledged in favor of ITCL as trustee by that company or Financial Institutions which is not exempt under SEBI (SAST) Regulations, 1997 would still exempt ITCL from making disclosure under SEBI (SAST) Regulations, 1997?
3. Whether the transactions involving the shares of the promoters which are subject to lock-in-period under the ICDR Regulations can be pledged with ITCL because banks and financial institutions will be ultimate beneficiary?



DECISION:

SEBI has clarified that since SEBI (SAST) Regulation, 1997 and SEBI (SAST) Regulation, 2011 does not provide

exemptions to Debenture Trustees acting as a custodian or agent for the shares pledged on behalf of lenders, therefore, ITCL is required to comply with the provisions of SEBI (SAST) Regulations, 1997 or SEBI (SAST) Regulations, 2011 as the case may be. Further with respect to the query relating to ICDR Regulations, It is understood that ITCL has sought exemption under Regulation 39 of SEBI (ICDR) Regulations, 2009 and not the interpretation thereof. Therefore SEBI is not in a position to respond to the query in this regard.





Adjudicating/WTM orders

TARGET COMPANY	NOTICEE	REGULATIONS	PENALTY IMPOSED/ DECISION TAKEN
Autolite Limited (India)	Mahipal Gupta, Mahipal Gupta HUF, Usha Gupta, Amit Gupta and Adarsh Gupta	Regulation 6, 7, 8, 10 and 11(1) of the SEBI (SAST) Regulations, 1997.	Rs.8 lacs
ZIM Laboratories Ltd.	Anwar S. Daud, Unijules Life Sciences Ltd. and Zakir S. Vali	Regulations 10 and 11 r/w regulation 14(2) of SEBI (SAST) Regulations, 1997.	Rs. 50 lacs
Gujarat Arth Ltd.	Sheth Nilesch Vinodchandra	Regulations 4 (1), 4(2) (a), (b), (e) and (g) of the PFUTP Regulations, Regulation 7 (1) r/w 7 (2) of SEBI (SAST) Regulations, 1997 and Regulation 13 (1) & 13 (3) r/w 13 (5) of SEBI (PIT) Regulations, 1992.	Rs.7 lacs
Datasoft Application Software Limited (India)	G.S Sridhar, P.V Murali Krishna, A. Rajendra Prasad, R. Shankar, Dwarkadhish Import & Export Pvt Ltd, Burlington Financial Services (P) Ltd,	Regulation 7 (1) and Regulation 10 of SEBI (SAST) Regulations, 1997.	Rs. 4 lacs on each noticee



	Ekveera Computers (P) Ltd., Hemdil Financial Services Ltd. (Name changed to M/s Camelot Advisory Services Ltd), Prathakal Commercial & Agencies (P) Ltd.		
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HJNT OF THE MONTH

The requirement to make an Open Offer arises even if there is an ***Indirect Acquisition*** of shares and/or control of the target company.

An ***Indirect Acquisition*** would be the acquisition of shares or control over another entity by an acquirer that would enable the acquirer to exercise or direct to exercise voting rights beyond the stipulated thresholds or control over the target company.

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





Latest Open Offers

Target Company

Shree Manufacturing Company Limited

Registered Office

Kolkata

Networth

Rs.(594.73) Lacs

Listed At

BSE and CSE

Industry

Textiles

Acquirer

Edge Consultancy Services LLP

Triggering Event: Share Purchase Agreement (SPA) with the promoters of the Target Company for the acquisition of 3,396,608 equity shares constituting 61.75% of the issued equity share capital of Target Company at a price of Re.1/- per share and 2,87,000 fully paid-up Preference Shares at a price of Rs.1.22/- per share.

Details of the offer: Offer to acquire 14,81,902 (26%) Equity Shares at a price of Rs. 1.25 per fully paid up equity shares and Re. 0.63 per partly paid up equity shares payable in cash.

Triggering Event: Share Purchase Agreement (SPA) with the promoters of the Target Company for the acquisition of 1,66,962 equity shares constituting 68.15% of the paid up equity share capital of the Target Company at a price of Rs.185 per share.

Details of the offer: Offer to acquire 63,700 (26%) Equity Shares at a price of Rs. 185 per share payable in Cash.

Target Company

Omnitech Petroleum Limited

Registered Office

Mumbai

Networth

Rs. (2.84) Lacs

Listed At

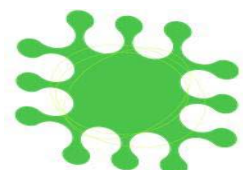
BSE

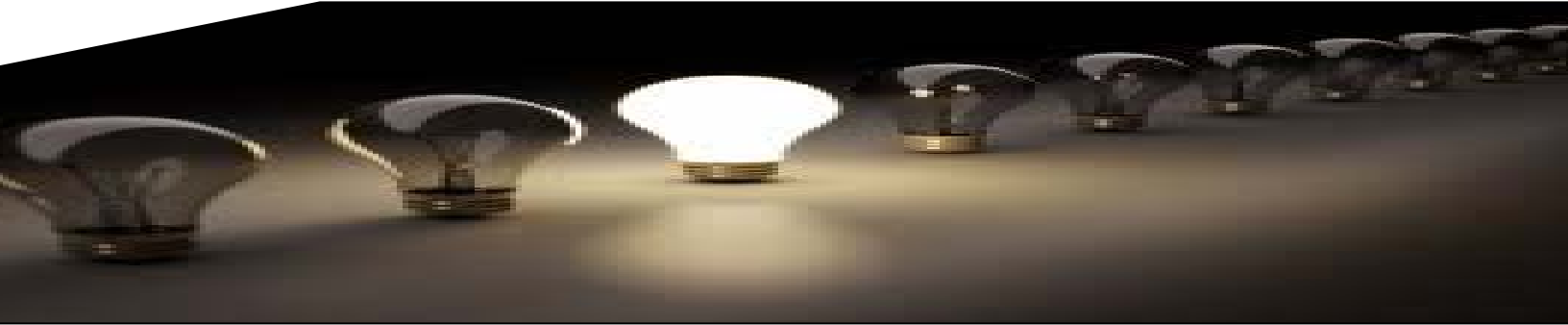
Industry

Refineries

Acquirer

Dunhil Healthcare Private Limited





Regular section

“**Voluntary Open Offer**” means Open Offer given by the acquirer voluntarily without triggering the mandatory Open Offer obligations as envisaged under SEBI (SAST) Regulations, 2011. Generally, the purpose of giving Voluntary Open Offer is to consolidate the shareholding.

Regulation 6 of SEBI (SAST) Regulations, 2011 deals with the concept of Voluntary Open Offer and provides the eligibility, conditions and restrictions with respect to the same that are detailed below:

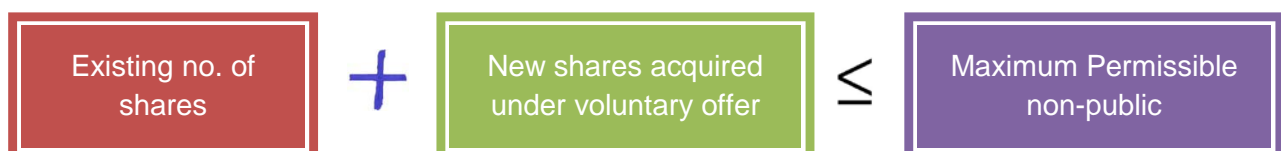
■ ELIGIBILITY FOR MAKING VOLUNTARY OPEN OFFER

- ❖ Acquirer along with PACs should be holding **atleast 25%** or more shares in the Target Company prior to making voluntary Open Offer.
- ❖ The Acquirer or PACs have not acquired any shares of the Target Company in the preceding 52 weeks without attracting the Open Offer obligation.



■ CONDITIONS FOR MAKING VOLUNTARY OPEN OFFER

- ❖ The aggregate shareholding after completion of the Voluntary Open Offer should not exceed beyond the maximum permissible non-public shareholding.





Note: Maximum permissible non-public shareholding means such percentage shareholding in the target company excluding the minimum public shareholding required under the listing agreement

- ❖ No acquisition during the offer period except under the Voluntary Open Offer.

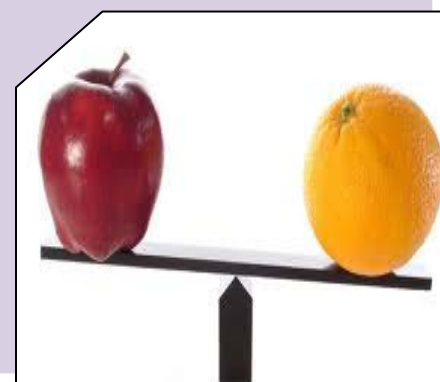
■ RESTRICTIONS

The acquirer becomes ineligible to acquire further shares for a period of six months after the completion of Open Offer except by way of:

- ❖ Another Voluntary Open Offer;
- ❖ Acquisitions by making a competing offer.

■ SIZE OF THE VOLUNTARY OPEN OFFER

Particulars	By a person holding 25% or more shares and making voluntary Open Offer u/r 6	By a person holding less than 25%
Minimum Offer Size	10%	26%
Maximum Offer Size	Maximum permissible non public shareholding permitted under Securities Contracts (Regulations) Rules 1957	Maximum can be for entire share capital of the target company.



A comparison of provision relating to Voluntary Open Offer as given in SEBI (SAST) Regulations, 1997 and SEBI (SAST) Regulations, 2011 is tabulated below:

SEBI (SAST) Regulations, 1997	SEBI (SAST) Regulations, 2011
No separate provision/definition	Distinct provisions under Chapter II
No prior shareholding criteria	Prior holding of atleast 25% or more
As applicable for the mandatory offer i.e. 20%	Minimum offer size= 10% (In case of Offer u/r 6) For offers other than u/r 6= As applicable for the mandatory offer i.e. 26%
No cap on post-offer shareholding	Post-offer shareholding cannot exceed 75%
Can buy the shares from the market before Voluntary Open Offer	No acquisition of shares during the preceding 52 weeks prior to Voluntary Open Offer
No bar on post-offer deals	Six-month bar on fresh purchases post offer

FOR INSTANCE:

Swaraj Automotives Limited (Target Company)



Mahindra and Mahindra Limited (Acquirer) forms part of the promoter group of the Target Company and holds 10,59,543 Equity Shares constituting 44.19% of the Voting Share Capital of Target Company. For the purpose of consolidation of shareholding, the Acquirer had made the Voluntary Open Offer to acquire upto 27% of the voting share capital of the Target Company. Pursuant to the Offer, the total shareholding of the Acquirer increased to 71.19% of the Voting Share Capital of the Target Company.



Case Studies

Adjudicating Officer Order in the matter of ZIM Laboratories Ltd: Imposition of penalty of Rs. 50 Lakh on all the Noticees

ABOUT ZIM LABORATORIES LTD (TARGET COMPANY/ZIM):

ZIM Laboratories Ltd. was incorporated on February 14, 1984 as a private limited company under the provisions of the Companies Act, 1956 having its registered office at Mumbai. On January 21, 1993, it was converted into Public Limited Company. The company is engaged in the activities of manufacturing, distributing & marketing of pharmaceuticals in Allopathic & Herbal categories encompassing almost every dosage form, including Tablets, Capsules, Dry Syrups, Liquid Orals, External Preparations, SVPs (Injectables), Ointments, Powders, etc. The Equity Shares of the Target Company are listed on **Over The Counter Exchange of India Ltd. (OTCEI)**.

ABOUT THE NOTICEES:

Anwar S. Daud, Unijules Life Sciences Ltd (USL) and Zakir S. Vali belongs to the Promoter group of the Target Company. Zakir Vali was appointed as chairman in 1984 and Anwar S. Daud was appointed as Managing Director in 1988 in the Target Company. USL is promoted by Faiz Vali, son of Zakir Vali.

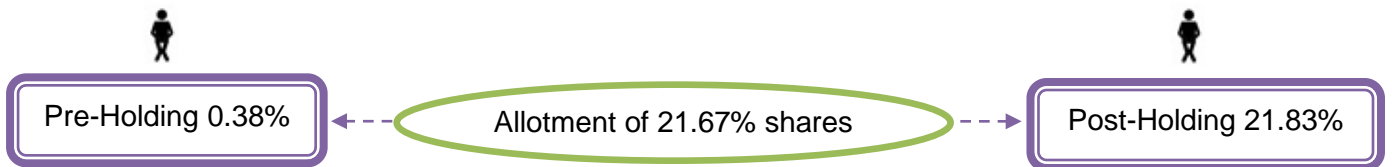
BACKGROUND OF THE CASE:

Target Company had made preferential allotments of shares on December 07, 2001, March 01, 2007, March 21, 2008 and May 20, 2008 to Anwar S. Daud (Noticee 1), Unijules Life Sciences Ltd (USL) (Noticee 2), and Zakir S. Vali (Noticee 3) {Collectively Noticees}.

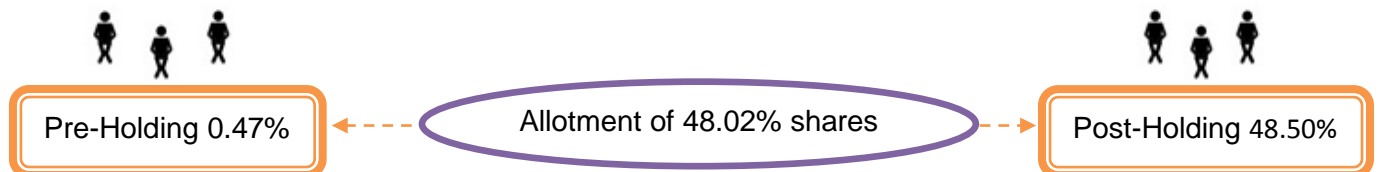


GIST OF PREFERENTIAL ALLOTMENTS MADE BY THE COMPANY:

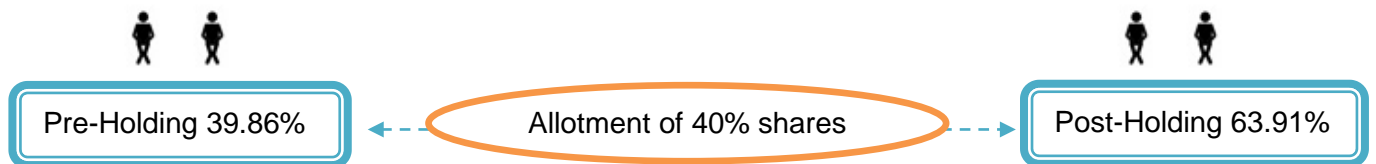
December 07, 2001: Noticee 1 had acquired 6,50,000 shares constituting 21.67% of paid up share capital of the Target Company on December 07, 2001 as a result of which his shareholding increased from 0.38% to 21.83% which necessitated the Noticee to make public announcement under Regulation 10 of SEBI (SAST) Regulations, 1997. However Noticee1 failed to make the Public Announcement.



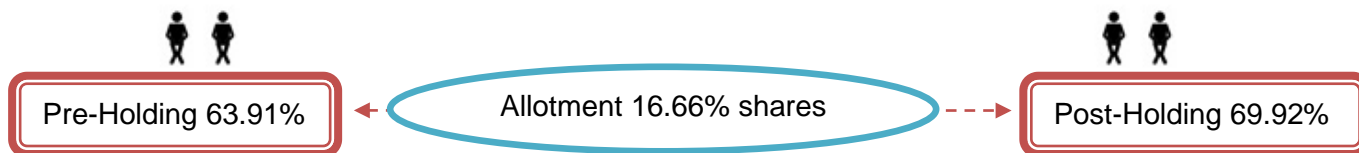
March 01, 2007: All the Noticee together acquired 14,40,590 shares constituting 48.02% of the paid up share capital of the Target Company as a result of which the shareholding of all the Noticees increased from 0.47% to 48.50%. This acquisition was also done without making a public announcement as required under regulation 10 of SEBI (SAST) Regulations, 1997.



March 21, 2008: Noticee 1 and Noticee 2, acquired 20,00,000 shares constituting 40% of the paid up share capital of the Target Company, as a result of which the shareholding of the both the Noticees increased from 39.86% to 63.91% which triggered Regulation 11(1) and 11(2) of SEBI (SAST) Regulations, 1997. However no Public Announcement was made.



May 20, 2008: Noticee 1 and Noticee 2 acquired additional 10,00,000 shares constituting 16.66% of the paid up share capital Target Company. As a result of the acquisition, their shareholding increased from 63.91% to 69.92%, but no Public Announcement was made under Regulation 11(2).



DELAYED PUBLIC ANNOUNCEMENT MADE ON APRIL 21, 2009 UNDER SEBI (SAST) REGULATIONS, 1997

On April 21, 2009, a public announcement for Open Offer was made by the Noticee 1 and Noticee 2 under Regulation 11(1) and 11(2) of SEBI (SAST) Regulations, 1997 in respect of the above acquisition of shares by way of preferential allotment. However, as the Noticees along with other promoters of the Target Company were holding 75% shares as on the date of PA and they also intend to delist the Target Company in case public shareholding falls to below 25% on the completion of Takeover Open Offer, therefore, SEBI has directed them to withdraw the Takeover Open Offer and provide an exit opportunity to the shareholders of the Target Company by way of delisting offer.

INITIATION OF ADJUDICATION PROCEEDINGS:

On November 17, 2011, show cause notices were issued to all the Noticees for the above mentioned acquisition of shares by way of preferential allotment in violation of SEBI (SAST) Regulations, 1997.

Contentions raised by the Notices: Upon the SCN issued, Noticees made the followings contentions:

- ❏ The Noticees stated that show cause notice is bad in law as they had made an open offer in year 2009 which SEBI has asked them to withdraw and make a delisting offer at a new price, which was complied with.



- ❑ The complete compliance of SEBI directions dated December 3, 2009 was done by the Noticees, as they withdrew the open offer, then offered a higher price of Rs. 35.22 per share and made a delisting offer. However the public shareholders rejected the delisting offer.
- ❑ The allotment of shares on February 7, 2001 through preferential allotment was exempt from making public announcement under the then existing Regulation 3(1)(c) of SEBI (SAST) Regulations, 1997 which was deleted w.e.f. 09.09.2002.
- ❑ No Change in control.
- ❑ The shares in question got listed in OTCEI in year 2011.
- ❑ Further, till now, the trading permission has not been given.
- ❑ The Noticees made the reference of the judgment of Hon'ble SAT in the matter of Fascinating Leasing & Finance Pvt. Ltd. v/s SEBI *wherein it was decided that unlisted shares are not under the purview of SEBI (SAST) Regulations, 1997.*
- ❑ The Noticees also made the reference of the judgment of Hon'ble SAT in the matter of Mr. Jogeshwar Rijumal Karachiwala and others v/s SEBI *wherein it was said that the shares were allotted to the appellants had never been listed on any stock exchange and that the trading in the scrip of the company had been suspended since January 7, 2002 which is still continuing, therefore the default committed by the Appellants did not make any adverse effect in the market....."*

ISSUE OF THE CASE:

Whether where the Takeover Open Offer made in respect of acquisition of shares in violation of SEBI Takeover Regulations has been withdrawn in accordance with the direction of SEBI to give delisting offer which is not approved by the shareholders of the Target Company, the imposition of penalty for the violation of SEBI Takeover Regulations is justified?



OBSERVATION BY ADJUDICATING OFFICER

1. As regards the acquisition on December 7, 2001 is concerned, the same was exempt under the then existing Regulation 3(1) (c) of SEBI (SAST) Regulations, 1997 provided that the conditions specified in the regulation are complied with. On verification, it was found that all the conditions



have been complied with. However, SEBI database does not contain any details of his having filed the report u/r 3(4) of SEBI (SAST) Regulations, 1997.

However, referring to the judgment of Hon'ble SAT in the matter of Mr. Jogeshwar Rijumal Karachiwala and others v/s SEBI, the Adjudicating Officer (AO) held that in respect of the said acquisition there was no adverse effect on the market as there was no trading in the scrip of ZIM, thus, benefit of doubt is given to Anwar S Daud.

2. However AO observed that pursuant to the allotment on March 01, 2007, March 21, 2008 and May 20, 2008, the shareholding of the Noticees increased beyond the limit prescribed in Regulation 10, 11(1) and 11(2) of the SEBI (SAST) Regulation, 1997, requiring them to make public announcement. However, they did not make the Public Announcement at that point of time, thereby violating the aforesaid regulations.
3. Moreover AO observed that SAT had never held in the case of Fascinating Leasing & Finance Pvt. Ltd. v/s SEBI that SEBI (SAST) Regulations, 1997 are not applicable to the unlisted shares of a listed company but had considered the unlisted shares only as one of the mitigating factors in reducing the penalty. The shares allotted on preferential basis to the Noticees got listed only on February 2011 is not relevant as the Noticees were enjoying voting rights pursuant to the allotment of the shares and therefore the shares fall under the purview of SEBI (SAST) Regulations, 1997.
4. AO further noted that by not Public Announcement at relevant point of time, the Noticees have avoided the expenditure which otherwise they would have incurred. Thus to this extent they have earned disproportionate gain or unfair advantage.
5. The violations are repetitive in nature as the Noticees crossed the threshold limit thrice.

VERDICT OF ADJUDICATING OFFICER:



However considering the fact that Noticees have made the Public Announcement on April 21, 2009 to regularize their past violations and there was no change in control and management of the Target Company pursuant to the above preferential allotment, Adjudicating Officer imposed the penalty of Rs. 50,00,000 upon all the Noticee for violation of Regulation 10 and 11 of SEBI (SAST) Regulations, 1997.

For more Click [here](#) (link to the case on our website)



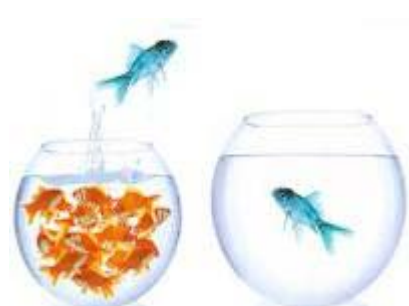


Market Updates

ARISAIG PARTNERS AND BENNETT ACQUISITION IN PANTALOON RETAIL

Arisaig Partners has acquired 2.11% shares in Pantaloon Retail, thereby increasing its shareholding in Pantaloon to 7.15%. The acquisition has been made through Open Market Transaction.

Apart from this, Bennett Coleman has also acquired 3.68% stake in Pantaloon through preferential allotment at a price of Rs.245 per share. As a result of the preferential allotment, the shareholding of Bennett has increased to 5.8% in Pantaloon.



ACQUISITION OF 6.3% STAKE IN KTM POWER SPORTS BY BAJAJ AUTO

Bajaj Auto Limited has acquired additional 6.3% stake in Austria based KTM Power Sports AG through its Netherlands-based wholly-owned subsidiary i.e. Bajaj Auto International Holdings by way of an open market transaction. Post acquisition, the shareholding of Bajaj Auto has increased to 47%, making it the second largest shareholder in KTM Power Sports.



KAJARIA CERAMICS ACQUIRES MAJORITY STAKE IN VENNAR CERAMICS

Kajaria Ceramics has acquired 51% stake in Vennar Ceramics, a subsidiary of Anjani Cement Limited Group for a consideration of Rs.13.65 Crores through fresh issue of shares. With the completion of all formalities relating to acquisition of shares, Vennar Ceramics will become the subsidiary of Kajaria.



Quiz

**PLAY The QUIZ
TEST YOURSELF**

The name of the Top 3 winners of the quiz will be posted on our website Takeovercode.com and will also be mentioned in our next edition of **Takeover Panorama**. So here are the questions of this edition:

Question: 1

X holding 30% Equity Shares as on May 2012 in the Target Company has acquired 3% Equity Shares during the period November 2011 to April 2012. Now X proposes to make voluntary open offer to the shareholders of the Target Company. What would be the minimum size of such voluntary open offer in accordance with SEBI (SAST) Regulations, 2011?

- A. 20%
- B. 10%
- C. 26%
- D. 25%

Mail your answer at info@takeovercode.com

Question: 2

What is the minimum offer size for voluntary offer by a person holding less than 25% shares in the Target Company?

- A. 26%
- B. 10%
- C. 20%
- D. All of the outstanding shares of the Company as on the date of PA

Mail your answer at info@takeovercode.com

What you say



Whether the removal of obligation from the Target Company to give disclosures to the Stock Exchanges in respect of Annual shareholding or of acquisition/disposal of its shares or encumbrances on the shares is a good move?

To vote: log on to www.takeovercode.com



Our TEAM



Ruchi Hans

E: ruchi@indiacp.com

D: [+91.11.40622251](tel:+911140622251)

Priyanka Gupta

priyanka@indiacp.com

D: [+91.11.40622235](tel:+911140622235)

Divya Vijay

divya@indiacp.com

D: [+91.11.40622248](tel:+911140622248)

Visit us at



A venture of



D- 28, South Extn. Part I New Delhi – 110049

T: 40622200 F: 91.40622201

E: info@takeovercode.com

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