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(15) "Dingya N. P.
(ENCLOSURE)



SEBI/IW/P/20160116/0000003495

Coimbatore

6th January 2016

Deputy General Manager
Corporate Finance Department
Division of Corporate Restructuring
Securities and Exchange Board of India
SEBI Bhavan, Plot No.C4-A
'G' Block, Bandra Kurla Complex
Bandra East
Mumbai 400051.

RAJSHREE
18/1/16 phdinar.
DGM (P.V.)
AM (AK)
श्री. म. वि. बो. SEBI
सं/ No 3495
Date 13 JAN 2016
13 JAN 2016

Sir / Madam

Sub: Request for interpretive letter under the SEBI (Informal Guidance) Scheme, 2003 for SEBI (Substantial acquisition of shares and takeovers) Regulations, 2011 & SEBI (Issue of capital and disclosure requirements) Regulations 2009 - reg

- 1) We, Rajshree Sugars & Chemicals Limited, are a listed Company having its shares listed with National Stock Exchange of India Ltd and Bombay Stock Exchange Ltd.

In the light of the adverse conditions prevailing in the sugar industry, the Company had got its Corporate Debt Restructuring (CDR) scheme approved by empowered group of CDR Cell, Mumbai in March 2014 and in accordance therewith, a Master Restructuring Agreement was also entered into with the Lenders on 27th March 2014.

- 2) In terms of the said CDR Scheme, the promoters had to bring in their contribution of Rs.12.25 crores in the form of Equity Shares. However, in the interest of speedy implementation of the CDR Scheme, the promoters brought in this money as non-interest bearing unsecured loan.
- 3) The Lenders led by State Bank of India are insisting that the Scheme provides for contribution by the promoters only in the form of Equity and not in the form of unsecured loan, even if it be non-interest bearing. Accordingly, they are insisting that the amount of Rs.12.25 crores brought in should be converted into equity shares by means of preferential allotment.
- 4) The Regulation 10(2) of SEBI (Substantial acquisition of shares & takeovers) Regulations, 2011 provides exemption from open offer, for the acquisition of shares of a company, not involving a change of control over such company, pursuant to a scheme of corporate debt restructuring framed by RBI.



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Since, there has been a time gap between the date of execution of the Master Restructuring Agreement and the conversion of the unsecured loan into equity, it is not clear as to whether the entire amount could be converted into Equity Shares in one go in terms of the said Regulation 10(2) or whether the promoters will have to go through the normal method by which the equity shares could be issued upto 5% of the capital each year, though, there has been an exemption provided under Regulation 10(2) of SEBI (Substantial acquisition of shares and takeovers) Regulations, 2011.

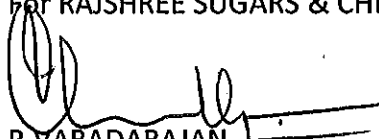
- 5) In view of the above submissions, we request for a an interpretive letter for the following:
Whether the exemption provided under Regulation 10(2) of SEBI (Substantial acquisition of shares and takeovers) Regulations 2011 is available to the Company for conversion of the entire loan amount of Rs.12.25 Crores on preferential basis in one go to the promoters of the Company though almost two years have elapsed since signing of the Master Restructuring Agreement.
- 6) Pending interpretive letter, we are now immediately opting for preferential issue of equity shares, on normal mode, upto 5% of paid-up capital of the company, to Ms.Rajshree Pathy, one of the promoters.

Please find attached a demand draft No.772797 dated 6th January 2016 of Rs.25,000/- drawn on State Bank of India, for the 'Interpretive letter'.

We would be greatly obliged if you could provide us with a prompt reply.

Thanking you

For RAJSHREE SUGARS & CHEMICALS LIMITED


R. VARADARAIAN
Wholetime Director

Enc:

- 1) Provisional & final letter of approval, approving the CDR Scheme
- 2) SBI letter directing the company for conversion