



भारतीय प्रतिभूति
और विनिमय बोर्ड
**Securities and Exchange
Board of India**

Deputy General Manager
Corporation Finance Department
Division of Corporate Restructuring

CFD/DCR/IG/ PM/18043/2012
August 13, 2012

Mr. Ashok Sodhani
501, 5th Floor, Naman Corporate Link,
Opp, Dena Bank,
C-31, G- Block,
Bandra Kurla Complex,
Bandra East,
Mumbai- 400 051

Dear Sirs,

Sub: Request for "Interpretive Letter" under the SEBI (Informal Guidance) Scheme, 2003 {Scheme} by Mr Sudhir Agarwal, Mr Girish Agarwal and Mr Pawan Agarwal (Promoters of D B Corp Ltd (Target Company)) regarding interpretation of Regulation 10(1)(a)(i) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 in relation to transfer of shares of promoter group companies of the Target Company.

1. This has reference to your letter dated May 30, 2012, July 19, 2012 and July 24, 2012 requesting for "interpretive letter" under the Securities and Exchange of India (Informal Guidance) Scheme, 2003.
2. In your letters under reference, you have, *inter alia*, sought an interpretive letter on whether the proposed transfer of the shareholding of the promoter group companies, inter-se amongst promoters who are immediate relatives, as set out in the application, is covered under the exemption under regulation 10(1)(a)(i) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 ("the Takeover Regulations").



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3. The regulation 10(1)(a)(i) of the Takeover Regulations inter-alia states as under:

The following acquisitions shall be exempt from the obligation to make an open offer under regulation 3 and regulation 4 subject to fulfillment of the conditions stipulated therefor,-

(a) Acquisition pursuant to inter se transfer of shares amongst qualifying person, being,-

(i) Immediate relatives;

4. We have considered the submission made by you in your letters under reference and without necessarily agreeing with your analysis, our views on the issue are as under:

a) The proposed transfer of shares, as per the submissions made by you, is between-

i. Father and son(s) (Mr. Ramesh Chandra Agarwal to Mr. Sudhir Agarwal, Girish Agarwal and Mr. Pawan Agarwal) in the six companies viz. Bhasker Infrastructure Ltd., Bhopal Financial Services Ltd., Chambal trading Pvt. Ltd., Dev Fiscal Services Pvt. Ltd., Peacock Trading and Investments Pvt. Ltd., and Stitex Global Ltd.

ii. Brothers (Mr. Sudhir Agarwal and Mr. Girish Agarwal to Mr. Pawan Agarwal) in two companies viz. Peacock Trading and Investments Pvt. Ltd., and Chambal trading Pvt. Ltd.

b) In addition to the above there are two proposed transfers of shares from sister-in-law to brother-in-law (Mrs. Namita Agarwal to Mr Sudhir Agarwal in Bhopal Financial Services Ltd. and Mrs. Jyoti Agarwal to Mr. Girish Agarwal in Dev Fiscal Services Pvt. Ltd.).

c) The proposed acquisition pursuant to inter-se transfer of shares among the existing promoters of the promoter group companies would be covered under regulation



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- 10(1)(a)(i) of the takeover Regulations, subject to the condition that the entities involved in such transfers are amongst qualifying persons being '*immediate relatives*'.
- d) The term '*immediate relative*' has been defined under regulation 2(1)(l) of Takeover Regulations to mean "*any spouse of a person and includes parent, brother, sister or child of such person or of the spouse*".
- e) The proposed transfers at Para 4(a) (i) and (ii) appears to be between entities who are '*immediate relative*' as defined under the Takeover Regulations.
- f) Further, as per the definition of '*immediate relative*' stated above such term shall also mean any spouse of a person and shall include brother of the spouse. Therefore, the proposed transfers at para 4(b) also appears to be between entities who are '*immediate relative*'.
- g) In view of the above, the exemption from open offer obligations under regulation 3 and 4 as contained under regulation 10(1)(a)(i) of the Takeover Regulation would extend to the proposed transfer of shares as indicated at Para 4(a) and (b).
5. This position is based on the representation made to the division in your letters under reference. Different facts or conditions might lead to a different result. This letter does not express decision of the Board on the questions referred.
6. Further, you have sought confidentiality treatment in respect of your request. Acceding to your request, it has been decided that the letter issued to you in this matter will not be available to the public for period of ninety (90) days from the date of issuance of the letter.



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7. You may note that the above views are expressed only with respect to the clarification sought in your letter and other correspondences under reference with respect to regulation 10(1)(a)(i) of the Takeover Regulations and do not affect the applicability of any of the Acts, Rules or Regulations, Guidelines and Circulars administered by SEBI or any other authority.

Yours faithfully,

Anindya Kumar Das