



भारतीय प्रतिभूति
और विनियम बोर्ड
Securities and Exchange
Board of India

Deputy General Manager
Division of Corporate Restructuring
Corporation Finance Department
Phone no: 022-26449373

CFD/DCR/OW/2016/23917
August 24, 2016

Ms. Rupa Achal Bakeri
415, Bodakdev,
Ahmedabad - 380054

Dear Madam,

Sub: Request for informal guidance under the SEBI (Informal Guidance) Scheme, 2003 {Scheme} in the matter of M/s. Symphony Limited {Target Company} under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 {Takeover Regulations} and SEBI (Prohibition of Insider Trading) Regulations, 2015 {PIT Regulations}.

1. This has reference to your letter dated June 23, 2016 on the captioned subject.
2. You have, *inter alia*, represented as follows-
 - a. You are a shareholder and promoter group entity of the target company and holding 3,89,750 shares constituting 1.114% of paid up equity share capital of the target company.
 - b. Your daughter Jonaki is a director and promoter group entity of the target company and holding 15,79,360 shares constituting 4.515% of paid up equity share capital of the target company.
 - c. Your second daughter Hirva is a promoter group entity of the target company and holding 15,79,360 shares constituting 4.515% of paid up equity share capital of the target company.
 - d. Your two daughters want to gift their entire shareholding to you by way of off-market transaction.
 - e. Pursuant to the transaction, your shareholding will increase from existing 3,89,750 shares (1.114%) to 35,48,470 shares (10.144%) i.e. an increase of 9.03%. However, there will not be any change in the aggregate shareholding

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of the promoter group and in control and management of the target company on account of inter se transfers amongst promoter group entities who are immediate relatives.

- f. The transferors and transferee stand as qualifying persons as envisaged under regulation 10(1)(a) of Takeover Regulations and thereby entitled to avail the benefit of general exemption pursuant to regulation 10 of Takeover Regulations.
3. In view of the above, you have sought informal guidance on the following issues:
- (a) Does SEBI (Prohibition of Insider Trading) Regulations, 2015 apply on the impugned contemplated transactions and if so, which provision?
 - (b) Whether the transactions be eligible for exemption from open offer obligations under regulation 10(1)(a)(i) of Takeover Regulations.
4. We have considered the submissions made by you in your letter under reference and without necessarily agreeing with your analysis, our view is as under:

With respect to query at 3(a) above:-

- a. In terms of Para 5(ii) and Para 8(iv) of the Scheme, since the query does not mention specific provision of the regulations, we are unable to respond on the same.

With respect to query at 3(b) above:-

- a. It is seen that in the instant case, the promoter group shareholding in the target company is 75%.
- b. The promoters – Jonaki Achal Bakeri and Hirva Achal Bakeri shall be transferring their holding of 4.515% each to their mother – Rupa Achal Bakeri.
- c. The proposed acquisition pursuant to inter-se transfer of shares among the existing promoters would be covered under regulation 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'

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and on compliance with the two conditions as stated under the proviso of regulation 10(1)(a).

- 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 appear to be between entities who are '*immediate relative*' as defined under the Takeover Regulations.
 - f. In view of the above, the exemption from open offer obligations under regulation 3 as contained under regulation 10(1)(a)(i) of the Takeover Regulations would extend to the proposed transfer of shares subject to the compliance with the two conditions as stated under the proviso of regulation 10(1)(a) of Takeover Regulations.
5. The above position is based on the information furnished in your letter under reference. Different facts or conditions might lead to a different result. Further, this letter does not express a decision of the Board on the questions referred.
6. You may also note that the above views are expressed only with respect to the clarification sought in your letter under reference with respect to Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 do not affect the applicability of any other law or requirements of any other SEBI Regulations, Guidelines and Circulars administered by SEBI or of the laws administered by any other authority.

Yours faithfully,

Amit Tandon