



For Aditya Birla Nuvo Limited

Handwritten signature
31/12/2009.

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

General Manager
Corporate Finance Department
Division of Corporate Restructuring
Tel: 2644 9350

CFD/DCR/IG/SS/189183/09

December 31, 2009

M/s Aditya Birla Nuvo Limited
A-4, Aditya Birla Center,
S.K. Ahire Marg
Worli, Mumbai - 400030.

Dear Sir,

Sub: Request for "No action Letter" under the SEBI (Informal Guidance) Scheme, 2003 and SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (Takeover Regulations).

1. Please refer to your letters dated November 30, 2009, December 04, 2009 and December 05, 2009 seeking "No action letter" for the proposed transfer of shares of M/s Aditya Birla Money Limited (ABML, "the Target Company"), from Aditya Birla Nuvo Limited (ABNL/ Transferor) to Aditya Birla Financial Services Private Limited (ABFSPL/ Transferee).
2. In your aforesaid letters, you have, *inter alia*, represented as follows:
 - i. M/s Aditya Birla Nuvo Limited (ABNL), the applicant, is one of the flagship companies of the Aditya Birla Group, which is currently one of the largest business groups in India. ABNL is the Aditya Birla Group's most diversified conglomerate, with a consolidated net turnover of over Rs. 14,200 crores for fiscal 2009.
 - ii. ABNL is presently the promoter of Aditya Birla Money Ltd. (ABML) i.e. the Target Company (formerly known as Apollo Sindhoori Capital Investments Limited). The Target Company's

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SEBI Bhavan, Plot No. 2, "C" Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051. • Tel.: 2644 9000 • Fax: 2644 9019 to 2644 9022
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shares are listed on 'The National Stock Exchange' of India Limited (NSE), The Bombay Stock Exchange Limited (BSE) and The Madras Stock Exchange Limited (MSE).

- iii. ABNL holds 76% shares in the Target Company which includes 20% shares acquired through an open offer made by ABNL in Jan / Feb, 2009.
- iv. Aditya Birla Financial Services Private Limited (ABFSPL) (Acquirer) is a wholly owned subsidiary of ABNL.
- v. As part of the restructuring exercise, it is proposed, inter-alia, to transfer the said 76% shares of the Target Company held by ABNL to the Acquirer i.e. ABFSPL)
- vi. ABNL, the Transferor Company has been in compliance with the provisions of Regulations 6 and 8 of the Regulations. However, the said Regulations are not applicable to the Acquirer, the Transferee Company, as it does not hold any shares in the Target Company.
- vii. In terms of Regulations 3(1)(e)(i) of the Regulations, inter-se transfer of shares amongst group coming within the definition of group as defined in the Monopolies and Restrictive Trade Practices Act, 1969 (MRTP Act) where persons constituting such group have been shown as group in the last published Annual Report of the Target Company is exempt from applicability of Regulations 10, 11 & 12 of the said Regulations.
- viii. In the present case, the Acquirer (the Transferee) is presently a wholly owned subsidiary of ABNL, (the Transferor) and both are part of the same group as defined in MRTP Act (as provided in Regulation 3(1)(e)(i) of the above Regulations).
- ix. Further, names of ABNL and the Acquirer are disclosed in the Annual Report for the year 2008-09 of the Target Company, under the heading 'Related Parties'. Since both ABNL (the Transferor) and the Acquirer (the Transferee) fall in the group as defined in the MRTP Act, and that the names of the Transferor and the Transferee Companies have been disclosed in the last Annual Report of the Target Company (though under "Related



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Parties") as referred on page no.54 of the Annual Report. It satisfies the requirement of informing the shareholders / public that the Transferor and the Transferee belong to the same group.

- x. Pursuant to the proposed transfer, there would be no resultant change in control as the Target Company will continue to be part of the same group. The transfer of shareholding from ABNL to Acquirer is also not prejudicial to the interest of the Target Company or its public shareholders.
 - xi. Considering that the transfer of shares of the Target Company is taking place only due to corporate restructuring, the shares of the Target Company would vest in the Acquirer, there will be no resultant change in "control" or "promoter group" of the Target Company, given that both Transferor as well as Acquirer are related to each other and part of the same group.
 - xii. In view of the above, you have sought no-action letter under SEBI (Informal Guidance) Scheme, 2003, and SEBI (Substantial Acquisition of shares and takeovers) Regulations, 1997 for the aforesaid transfer.
3. We have considered the submissions made by you in your letters under reference and without necessarily agreeing with your analysis, our views on the issue are as under:
- (a) As per regulation 3(1)(e)(i) of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997 (the Takeover Regulations) an acquisition pursuant to inter se transfer of shares amongst "Group" coming within the definition of "Group" as defined in the MRTP Act, 1969 (54 of 1969) is eligible for exemption from the applicability of the regulations 10, 11 and 12 of the Takeover Regulations subject to the following conditions:
 - i. The transferor and transferee belong to "Group" coming within the definition of "Group" as defined in the MRTP Act, 1969 (54 of 1969).



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- ii. Transferor and transferee have been shown as group in the last published annual report of the Target Company.
 - iii. The transferor as well as the transferee has complied with disclosure requirement under Regulation 6, 7 and 8 of the Takeover Regulation, as may be applicable.
 - iv. The transferee (acquirer) should inform the stock exchanges atleast 4 working days in advance of the date of proposed acquisition, in case of acquisition exceeding 5% of the voting share capital of the target company in terms of Regulation 3(3) of the Takeover Regulations.
 - v. The Transferee (acquirer) shall file a report with SEBI in the specified format within 21 days of the date of acquisition along with requisite fees prescribed, in terms of Regulations 3(4) and 3(5) of the Takeover Regulations.
- (b) You have submitted that transferor and transferee belong to same group and their names are disclosed in the Annual Report of the Target Company for the year 2008-09 under "Related Parties".
- (c) You have also submitted that transferor has complied with regulations 6 and 8 of the Takeover Regulations and the regulations 6, 7 and 8 of the Takeover Regulations are not applicable to the transferee as it does not hold any shares of the Target Company.
- (d) In view of the above, the department will not recommend any action to the Board in case of transfer of shares of the target company held by the transferor, to transferee provided that transferee (acquirer) complies with the conditions laid down in para 3(a) (iv) and 3(a)(v) also.
4. The above position is based on the representation made to the Division in your letters under reference. Different facts or conditions might call for a different advice. This letter does not express the decision of the Board on the questions referred.




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5. Please note that this position is only with respect to applicability of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and does not affect the applicability of any law and other SEBI Regulations, Guidelines and circulars administered by SEBI or any other authority.
6. Vide your letter dated November 30, 2009, you have sought confidentiality treatment in respect of your request for "No-action letter". Acceding to your request, it has been decided that the "No-action letter" issued to you in this matter will not be available to the public for a period of 90 days from the date of issuance of the said letter.

Yours faithfully,


Neelam Bhardwaj