



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

Deputy General Manager
Division of Corporate Restructuring
Corporation Finance Department
Phone no: 022-26449302

CFD/DCR/OW/2016/3809/1
February 15, 2016

Mr. Dhruv M. Sawhney
17, Sunder Nagar,
New Delhi - 110003

Dear Sir,

Sub: Request for informal guidance under the SEBI (Informal Guidance) Scheme, 2003 {Scheme} in the matter of M/s. Triveni Engineering & Industries Limited {Target Company} under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 {Takeover Regulations}.

1. This has reference to your letter dated December 07, 2015 on the captioned subject.
2. You have, *inter alia*, represented as follows-
 - a. M/s. Triveni Engineering and Industries Limited ("Target Company") is listed on the National Stock Exchange and the Bombay Stock Exchange. The promoter shareholding is 68.21% of the paid up share capital of the target company and is held by the entities as mentioned at Para 3 of your letter.
 - b. Subhadra Trade and Finance Ltd. ('STFL') is an unlisted public company and a promoter of the target company. The shareholding of STFL held by the promoters of the target company is as listed at Para 4 of your letter.
 - c. As part of the internal reorganization, the following steps are proposed to be undertaken:
Step 1: Transfer of equity shares held in 7 promoters companies of the target company to STFL by their existing shareholders.
Step 2: Transfer of upto 50% equity shares held by Mr. Dhruv Sawhney and Ms. Rati Sawhney in STFL to Tarun Sawhney Trust ('TS Trust') by way of gift/settlement. The Settlers, Trustees and Beneficiaries of TS Trust are Dhruv Sawhney and his family members.
Step 3: Transfer of upto 50% equity shares held by Mr. Dhruv Sawhney and Ms. Rati Sawhney in STFL to Nikhil Sawhney Trust ('NS Trust') by way of

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gift/settlement. The Settlers, Trustees and Beneficiaries of NS Trust are Dhruv Sawhney and his family members.

Step 4: Transfer of upto 22.77% equity shares held by Mr. Dhruv Sawhney and Ms. Rati Sawhney in the target company to Dhruv Sawhney Trust ('DS Trust') by way of gift/settlement. The Settlers, Trustees and Beneficiaries of DS Trust are Dhruv Sawhney, his family members, TS Trust and NS Trust.

3. In view of the above, you have sought informal guidance on the following issues:
 - a) Would the proposed transfer of shares referred to in Steps 2,3 and 4 of para 2(c) above trigger an obligation on the applicant/acquirer trusts to make an open offer in terms of regulation 3 of Takeover Regulations.
 - b) If the answer to (a) above is in affirmative, whether the proposed transfer of shares under para 2(c) above would fall within the exemption provided under regulation 10(1)(a) of the Takeover Regulations.
4. You have also sought a no-action letter under Takeover Regulations for the above referred transactions.
5. 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:
 - a) It is noted that the promoter group shareholding in the target company is 68.21% and the promoters - Mr. Dhruv Sawhney and Ms. Rati Sawhney would be transferring their holding of 22.77% to DS Trust. This would, thus, trigger regulation 3(2) of Takeover Regulations.
 - b) It is also noted that STFL would be holding 31.90% in the target company and the 84.22% held in STFL by Mr. Dhruv Sawhney and Ms. Rati Sawhney shall be transferred to TS Trust and NS Trust. This would, thus, also trigger regulation 3(2) read with regulation 5 of Takeover Regulations.
 - c) The said transfer of shares of target company from Mr. Dhruv Sawhney and Ms. Rati Sawhney to DS Trust would not qualify under any of the criteria mentioned under regulation 10(1)(a) of Takeover Regulations.

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- d) The said transfer of shares of STFL by Mr. Dhruv Sawhney and Ms. Rati Sawhney to TS Trust and NS Trust would not qualify under regulation 10(1)(a)(iii) of Takeover Regulations since the TS Trust and NS Trust do not hold 50% in STFL.
- e) In view of the foregoing, our view is that the proposed transfer of shares may trigger open offer obligations on the acquirer Trusts in terms of regulation 3(2) read with regulation 5 of Takeover Regulations. Further, the direct and indirect acquisitions of shares of the target company by the three Trusts will not be exempt under any of the provisions of regulation 10(1)(a) of the Takeover Regulations.
6. 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.
7. Vide your letter dated December 07, 2015, you have requested for confidentiality in respect of your interpretative letter. Acceding to your request, it has been decided that the interpretative letter issued to you in this matter will not be made public for a period of 90 days from the date of issuance of this letter.
8. 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 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,


V. Divya Veda 15/2/16