



General Manager  
Corporation Finance Department  
Division of Corporate Restructuring – II

भारतीय प्रतिभूति  
और विनियम बोर्ड  
Securities and Exchange  
Board of India  
CFD/DCR/TO/IG/EB/ 3725 / 11  
February 01, 2011

M/s Peninsula India Ltd,  
1, Peninsula Spenta,  
Mathurdas Mills,  
Senapati bapat Marg,  
Lower parel, Mumbai- 400013.

**Sub: Request for "Interpretive Letter" under the SEBI (Informal Guidance) Scheme, 2003 regarding acquisition of shares by promoters under regulations 11 (1) and 11 (2) of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997.**

1. This has reference to your letter dated December 20, 2010 on the captioned subject. In your letter under reference you have stated as under:
  - a. The promoter/promoter group shareholding in M/s Peninsula India Ltd (PIL) as on December 03, 2010 stands at 53.65% which they intend to increase to 55 % through creeping acquisition under regulation 11(1) of SEBI (SAST) Regulations, 1997.
  - b. Moreover, the promoter/promoter group entities of PIL intend to further increase their holding by 5 % in terms of second proviso to regulation 11 (2) of SEBI (SAST) Regulations, 1997 by way of purchase from open market in normal segment on the stock exchange. The said acquisition shall be through purchase from open market in normal segment on the stock exchanges.
2. In this regard, you have sought interpretative guidance from SEBI on the following queries-
  - i. Can the promoters acquire additional shares by creeping acquisition as per Regulation 11(1) of SEBI (SAST) Regulations, 1997 in the financial year 2010-11 so as to reach 55% and thereafter in the same financial year 2010-11 themselves, start acquiring additional 5% shares through open market under the second proviso of Regulation 11(2), without making any Public Announcement?
  - ii. The further 5% shares will be acquired in tranches in the financial year 2010-11, 2011-12 and so on (without any restriction on the time frame within which the same can be acquired) till full 5% additional shares are acquired i.e. till the promoters shareholding in PIL reaches to 60%.
3. We have considered the submission made by you in your letter under reference and without necessarily agreeing with your analysis, our views on the issue are as under:
  - 3.1 As regards Query mentioned in 2 (i) above:

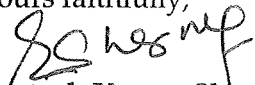


अनुवर्ती:  
Continuation :

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- i. It is noted that the present promoter shareholding in PIL as on December 3, 2010 is 53.65%. In terms of regulation 11(1) of SEBI (SAST) Regulations, 1997 the promoters may acquire a maximum of 1.35% during the financial year 2010-11 so as to reach 55%, without making a public announcement in any one financial year.
  - ii. Upon the aforesaid acquisition, the promoters would have reached the 55 % threshold and hence would become eligible for the one-time exemption provided by second proviso to regulation 11 (2). In terms of the said proviso, the promoters may acquire a further 5% of voting rights, subject to compliance with all the provisions of regulation 11(2) of the SEBI (SAST) Regulations, 1997.
  - iii. The aforesaid acquisitions would be governed by two separate and distinct regulations, viz. regulation 11 (1) and second proviso to regulation 11 (2). Therefore, both the transactions may be undertaken in the same financial year, viz. 2010 - 11.
- 3.2 As regards Query mentioned in 2 (ii) above:
- i. The acquisition of further 5% of voting rights, subject to compliance with all the provisions of regulation 11(2) of the SEBI (SAST) Regulations, 1997 may be done in one or more tranches without any restriction on the time frame within which the same can be acquired till 5% additional voting rights are acquired subject to the shareholding of promoter /promoter group not crossing 75%.
4. The views given above are in terms of existing Takeover Regulations. 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.
5. 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 regulations 11(1) and 11(2) of the said Regulations 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,

  
Santosh Kumar Sharma