

**Deputy General Manager
Division of Corporate Restructuring
Tel: 26449330**

**CFD/DCR/TO/INF/ HB/ /07
June 18, 2007**

**Jubilee Investments & Industries Limited
Duncan House
31, Netaji Subhas Road
Kolkata 700001.**

Dear Sir,

Sub: Request for interpretive letter under the SEBI (Informal Guidance) Scheme, 2003 regarding Zensar Technologies Limited.

- 1.0 Please refer to your letter dated April 27, 2007, seeking 'Interpretive Letter' under SEBI (Informal Guidance) Scheme, 2003.
- 2.0 In your letter under reference you have *inter alia* represented as follows-
 - a. Zensar Technologies Limited (target company) has its shares listed on the Bombay Stock Exchange and National Stock Exchange.
 - b. Fujitsu Services Limited and Fujitsu Services Holdings BV (collectively called 'the transferors'), Jubilee Investments and Industries Limited (Jubilee), Blue Niles Holdings Limited, CEAT Limited, Hilltop Holdings India Limited, RPG Industries Limited and Kocilim Breweries Pvt Limited are the promoters of the target company.
 - c. The transferors hold 6,914,791 equity shares of Rs.10/- each in the target company which constitutes 29.50 per cent of the issued, subscribed and paid up equity share capital of the target company.
 - d. Jubilee along with Blue Niles Holdings Limited, CEAT Limited, Hilltop Holdings India Limited, RPG Industries Limited and Kocilim Breweries Private Limited collectively hold 6,914,791 equity shares of Rs.10/- each which constitutes 29.50 per cent of the issued, subscribed and paid up equity share capital of the target company.
 - e. Petrochem International Limited ('Petrochem') is a company incorporated under the Companies Act, 1956 and is a wholly owned subsidiary of Jubilee. Pedriano Investments Limited ("Pedriano") is a company incorporated under the laws of Cyprus and is a wholly owned subsidiary of Petrochem and thereby a wholly owned subsidiary of Jubilee. Pedriano is a person acting in concert with Jubilee in terms of Regulation 2 (1)(e) of the SEBI (Substantial

Acquisition of Shares and Takeovers) Regulations, 1997 (Takeover Regulations).

- f. The transferors have agreed to sell their entire equity shareholding (29.50%) in the target company to Jubilee and /or a subsidiary of Jubilee. It is proposed that the said 29.50% equity shares will be purchased by Jubilee along with its wholly owned subsidiary Pedriano (hereinafter also referred to as transferees). It is proposed that Jubilee will purchase 100 equity shares out of the said 6,914,791 equity shares (29.50%) and Pedriano will purchase the remaining 6,914,691 equity shares from the transferors.
 - g. The transferors, Jubilee, Blue Niles Holdings Limited, CEAT Limited, Hilltiop Holdings India Limited, RPG Industries Limited and Kocilim Breweries Pvt Limited have filed the disclosures as required under regulations 6, 7 and 8 of the Takeover Regulations.
 - h. The transferors have been holding equity shares in the target company for a period of atleast 3 years from the date of the proposed transfer. Though Pedriano which is one of the proposed transferees has not itself held equity shares of the target company for a period of 3 years, its holding company, Jubilee (the other transferee, a qualifying promoter) has held shares in the target company for a period of at least 3 years.
 - i. The term “transferee” used in regulation 3(1)(e) of the Takeover Regulations includes a qualifying promoter. The term “qualifying promoter” as used in regulation 3(1)(e) includes subsidiary of a company (a qualifying promoter).
 - j. The requirement under regulation 3(1) (e) (iii) (b) of the Takeover Regulations is that the transferee i.e. the qualifying promoters, collectively should have held the shares in the target company for a period of 3 years. It does not necessarily require every transferee, individually to hold the equity shares in the target company for a period of 3 years.
 - k. Pedriano (one of the transferees), by virtue of the definition of the word “qualifying promoter”, would be included in that definition and therefore, collectively with Jubilee, the transferees hold the equity shares in the target company for a period of 3 years.
 - l. The price for the transfer of the said equity shares by the transferors to Pedriano shall not exceed 25% of the price as determined in terms of sub-regulation (4) and (5) of regulation 20 of the Takeover Regulations.
 - m. The transferors and the transferees fulfill all the conditions subject to which the exemption under regulation 3(1)(e)(iii)(b) is available.
- 3.0 In view of the above submissions, you have sought the interpretive letter on the issue whether the above mentioned transfer of 6,914,791 equity shares by the

transferors to the transferees will be exempted from the applicability of regulations 10, 11 and 12 of the Takeover Regulations under regulation 3(1)(e)(iii)(b) of the Takeover Regulations.

4.0 We have considered the submissions made by you in your letter under reference and without necessarily agreeing with your analysis our views on the issue are as under:-

- a. As per regulation 3(1)(e)(iii)(b) of the Takeover Regulations, an acquisition pursuant to inter se transfer of shares amongst qualifying promoters is eligible for exemption from the applicability of the regulations 10, 11, 12 of the Takeover Regulations subject to complying with the following conditions-
 - i. The transferors and transferees are qualifying promoters in terms of the explanation to regulation 3(1)(e)(iii) of the Takeover Regulations.
 - ii. The transferees collectively as well as the transferors collectively have been holding the shares in the target company for a period of at least three (3) years prior to the date of acquisition.
 - iii. The provisions of Chapter II of the Takeover Regulations have been complied with within the specified time-limit by both, the transferors and the transferees.
 - iv. The *inter se* transfer of shares should not be at a price exceeding 25% of the price determined in terms of regulations 20(4) and 20(5) of the Takeover Regulations.
 - v. The transferee should inform the stock exchange at least 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.
 - vi. The acquirer(s) shall file a report with Securities and Exchange Board of India in the specified format within twenty one (21) days of the date of acquisition along with requisite fees, in terms of regulations 3(4) read with regulation 3(5) of the Takeover Regulations.
- b. In reference to condition 4.0(a)(ii), as required under regulation 3(1)(e)(iii)(b) of the Takeover Regulations, the transferors as well as the transferees should hold shares in the target company for 3 years or more prior to the proposed acquisition. If some of the members of the qualifying promoter group (transferees) are not holding shares in target company for the last 3 years prior to the proposed acquisition, the acquisition would be exempted provided that the other conditions as mentioned in regulation 3(1)(e)(iii)(b) are also fulfilled.

- c. Both the transferees i.e. Jubilee and Pedriano are a qualifying promoters under Explanation of regulation 3(1)(e)(iii) of the Takeover Regulations. Pedriano is wholly owned subsidiary of Jubilee. Jubilee holds equity shares in the target company for a period of at least 3 years prior to the proposed acquisition. Thus, even if Pedriano does not hold equity shares for the last 3 years prior to the proposed acquisition, it would be deemed to be fulfilling the condition of said 3 years shareholding in order to avail the exemption under regulation 3(1)(e)(iii)(b) of Takeover Regulations.
 - d. The exemption under regulation 3(1)(e)(iii)(b) of the Takeover Regulations may be available to the transferees i.e Jubilee and Pedriano if they comply with all the conditions as stated in 4.0 above.
- 5.0 This position is based on the representation made to the Division in your letter under reference. Different facts or conditions might require a different result. This letter does not express decision of the Board on the questions referred.
- 6.0 You may note that the above views are expressed only with respect to the clarification sought on SEBI (Substantial Acquisition and Takeovers) Regulations, 1997 and do not affect the applicability of any other law or requirement.

Yours faithfully,

Santosh Kumar Sharma