



Deputy General Manager

Corporation Finance Department

Policy and Development – 2

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SEBI/HO/CFD/PoD1/OW/P/2025/31/26/1

December 12, 2025

To

Ambo Agritec Limited

3, Pretoris Street,

Chandrakunj Building

Kolkata, West Bengal - 700071

Kind attention: Mr. Umesh Kumar Agarwal

Sir,

Sub: Request for Interpretive Letter under the Securities and Exchange Board of India (Informal Guidance) Scheme, 2003 (SEBI Informal Guidance Scheme)

Ref: Your Letter dated October 18, 2025.

1. This has reference to your letter dated October 18, 2025 (Application), seeking guidance by way of an interpretive letter under SEBI Informal Guidance Scheme with respect to Regulation 3(2) of SEBI (Substantial Acquisitions and Takeover) Regulations, 2011 (SAST)
2. Vide the said application, *inter alia*, following facts have been represented:
 - 2.1. **Ambo Agritec Limited (Target Company/TC)** had issued 1,43,00,000 (One Crore Forty-Three Lakh) equity share warrants (warrants) on a preferential basis, in FY 2024-25 (FY 24). Out of the aforesaid warrants, 90,00,000 (Ninety Lakh) warrants were allotted to promoter, i.e., **Mr. Umesh Kumar Agarwal (Acquirer/Promoter)** and 53,00,000 (Fifty-Three Lakh) warrants were allotted to the public category.
 - 2.2. In accordance with Regulation 162(1) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("**ICDR Regulations**"), the tenure

of all warrants, irrespective of category of allottee, thus expires on December 19, 2025.

2.3. At the time of issuance, assuming full conversion of the issued warrants, the change in shareholding was expected to be as below-mentioned:

Category	Pre- Allotment Shareholding in %	Proposed Conversion of Share Warrants	Post- Allotment Shareholding in %	% change in Shareholding
Promoter	63.81%**	90,00,000	63.28%	1.41%
Public	36.20%	53,00,000	36.72%	0.52%
	100.00%	1,43,00,000	100.00%	

**Promoter includes Shri. Umesh Kumar Agarwal and other promoters. Umesh Kumar holds 60.60% of the total shareholding.

2.4. All the public allottees have exercised their option and converted their respective warrants in multiple tranches within the prescribed tenure, as detailed in the table set out at Annexure I.

2.5. During the interim period of conversions, in FY 25, the promoter has sold 10.61 lakhs share in the open market.

2.6. As on August 12, 2025, 53 lakhs warrants pertaining to public shareholders stands converted. As on August 12, 2015 promoter continues to hold 38.5 lakh warrants, and proposes to convert them in the current FY, i.e. FY 25. From the above table, it is noted that for FY 25, the acquisitions of the promoter in Target Company, on gross basis is 4.95% points.

3. Further, the application proposes the following transaction to be undertaken by the promoter:

3.1. The promoter has converted 51,50,000 equity share warrants out of his total entitlement of 90,00,000 equity share warrants and is now proposing to convert the remaining portion of his unexercised warrants, i.e., 38,50,000 equity share warrants within the same permissible

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tenure, i.e., before December 19, 2025, either in a single tranche or multiple tranches. Pursuant to the conversion, Promoter's holding would increase to 62.02%.

3.2. The proposed shareholding after considering the proposed conversion of balance 38,50,000 equity share warrants by promoter is as below:

Category	Pre- Allotment Shareholding in %	Post- Allotment Shareholding in %	% point Change in the Shareholding
Promoter	54.65%	62.02%	7.37%

4. In view of the above, you have sought guidance on the following query:

In light of the above-mentioned background, material facts, regulatory provisions and as a matter of abundant caution and our endeavour to follow the best practices, we hereby request you to provide us an interpretive "informal guidance" regarding the proposed conversion of 38,50,000 equity share warrants by Mr. Umesh Kumar Agarwal, before the conclusion of tenure of warrants, i.e., Decemblers 19, 2025, whether in a single tranche or multiple tranches and compliance of such transaction with the aforementioned regulations.

5. W.r.t. the above query, the application mentioned the following interpretation as considered by the company:

At the time of taking the in-principle approval the allotment as proposed complied with the relevant regulations and accordingly company have received the approval from BSE. However, the implementation of the conversion of equity share warrants to equity shares by the Promoter and Public allottees happened at different points of time spanning two financial years within the stipulated timelines (including the proposed conversion of 38,50,000 equity share warrants for which this clarification is sought) which is well within the legal framework of the extant regulations and accordingly as per company's interpretation it would not be violating any of the relevant regulations as mentioned above.

6. We have considered the submissions made in your Application. Without necessarily agreeing with your analysis, our views on the queries are as follows:



6.1. The relevant legal provisions are reproduced below:

6.1.1. Regulation 3(2) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (“**Takeover Regulations**”) states as below:

“No acquirer, who together with persons acting in concert with him, has acquired and holds in accordance with these regulations shares or voting rights in a target company entitling them to exercise twenty-five per cent or more of the voting rights in the target company but less than the maximum permissible non-public shareholding, shall acquire within any financial year additional shares or voting rights in such target company entitling them to exercise more than five per cent of the voting rights, unless the acquirer makes a public announcement of an open offer for acquiring shares of such target company in accordance with these regulations:

...

Explanation - For purposes of determining the quantum of acquisition of additional voting rights under this sub-regulation –

(i) *gross acquisitions alone shall be taken into account regardless of any intermittent fall in shareholding or voting rights whether owing to disposal of shares held or dilution of voting rights owing to fresh issue of shares by the target company.*

(ii) *in the case of acquisition of shares by way of issue of new shares by the target company or where the target company has made an issue of new shares in any given financial year, the difference between the pre-allotment and the post-allotment percentage voting rights shall be regarded as the quantum of additional acquisition.”*

6.1.2. Regulation 3(3) of the Takeover Regulations specifies as under:

“For the purposes of sub-regulation (1) and sub-regulation (2) of Regulation 3, acquisition of shares by any person, such that the individual shareholding of such person acquiring shares exceeds the stipulated thresholds, shall also be attracting the obligation to make an open offer for acquiring shares of the target company irrespective of whether there is a change in the aggregate shareholding with persons acting in concert.”

6.2. Regulation 162(1) of the ICDR Regulations specifies that the tenure of convertible securities of the issuer shall not exceed eighteen months from the date of their allotment. This provision does not provide any exemption in respect of compliance under the Takeover Regulations.

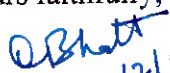
6.3. The Acquirer has acquired (on gross basis) 4.95% shareholding of the Target Company in multiple tranches in the current financial year (For calculation, refer Annexure I.). Post such



acquisitions, the Acquirer holds 54.64% of shares in the Target Company on individual basis (54.65% along with the promoter group).

- 6.4. Accordingly, in the remaining period of the current financial year, the Acquirer may acquire additional 0.05% shareholding or voting rights in the Target Company without attracting the open offer obligations in terms of the Regulation 3(2) read with Regulation 3(3) of the Takeover Regulations.
- 6.5. The Acquirer has proposed to convert the remaining portion of his unexercised warrants, i.e., 38.5 lakh equity share warrants within the same permissible tenure, i.e., before December 19, 2025, either in a single tranche or multiple tranches. If such remaining warrants were converted, the Acquirer's holding in the Target Company would increase to 62.02%, a 7.37% acquisition in the shares of the Target Company in the current financial year. Therefore, the proposed acquisition by conversion of warrants would breach the creeping acquisition limit of 5% as specified under Regulations 3(2) of the Takeover Regulations.
- 6.6. In view of the above, the proposed transaction if undertaken shall attract the open offer obligations in terms of the Regulation 3(2) read with Regulation 3(3) of the Takeover Regulations and shall require a public announcement of an open offer for acquiring shares of the Target Company in accordance with the said regulations.
7. Vide your letter under reference, you have requested for confidentiality in respect of your application. Accordingly, the interpretive letter issued to you in this matter shall not be made public for a period of 90 days from the date of issuance of the letter.
8. The above position is based on the information furnished in your Application. Different facts or conditions might lead to a different result. Further, this letter expresses the Department's view and does not express a decision of the Board on the questions referred.
9. You may note that the above views are expressed only with respect to the guidance sought in your Application in respect of the provisions of the Takeover Regulations and ICDR Regulations referred above and do not affect the applicability of any other law or requirements of any other SEBI Regulation, Guidelines and Circulars administered by SEBI or the laws administered by any other authority.

Yours faithfully,


12/12/2024
Vimal Bhatt

Annexure I

	Event	Shareholder Category	% Shareholding (Pre-Allotment)	% Shareholding (Post-Allotment)	Acquisition in terms of Regulation 3(2) of SAST
FY 24					
20th June	Issuance of warrants	Promoter	63.81%	N/A	N/A
		Public	36.20%	N/A	N/A
31st March	On partial conversion by Promoters and Public	Promoter	63.81%	54.33%	-9.48%
		Public	36.20%	45.67%	9.48%
FY 25					
28th May	On Partial Conversion by Public Only	Promoter	54.33%	51.64%	-2.69%
		Public	45.67%	48.37%	2.69%
17th July	On partial conversion by Promoter only	Promoter**	49.70%	54.14%	4.44%
		Public	50.30%	45.86%	-4.44%
** 3,00,000 shares sold by the promoter group between 28 th May and 17 th July					
25th July	On partial conversion by promoter and balance conversions by Public.	Promoter	54.14%	54.19%	0.05
		Public	45.86%	45.82%	-0.05
12th August	On partial Conversion by promoter	Promoter	54.19%	54.65%	0.46%
		Public	45.82%	45.36%	-0.46%
In FY 2025-26, Acquisitions made by Promoter, on gross basis					4.95%

