

SECURITIES AND EXCHANGE BOARD OF INDIA

ORDER

UNDER SECTION 11(1) AND SECTION 11(2)(h) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH REGULATION 11(5) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011.

IN THE MATTER OF PROPOSED ACQUISITION OF SHARES AND VOTING RIGHTS IN –

TARGET COMPANY	Ratnamani Metals and Tubes Limited
PROPOSED ACQUIRER	M.N. Sanghvi Family Trust

Background

1. Ratnamani Metals and Tubes Limited ("**Target Company**") is a company incorporated under the Companies Act, 1956 and has its registered office at 17, Rajmugat Society, Naranpura Char Rasta, Ankur Road, Naranpura, Ahmedabad, Gujarat - 380013. The equity shares of the Target Company are listed on BSE Ltd. ("**BSE**") and the National Stock Exchange of India Ltd. ("**NSE**").
2. An application dated March 18, 2024 was received from M.N. Sanghvi Family Trust ("**Applicant/Acquirer Trust / Proposed Acquirer**") along with emails dated April 08, 2024, May 09, 2024, May 24, 2024, June 27, 2024, July 23, 2024 and September 20, 2024 seeking exemption from the applicability of regulations 3 and 4 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("**Takeover Regulations, 2011**") with respect to the proposed direct acquisition of shares in the Target Company. The above-mentioned application along with the emails mentioned above are hereinafter referred to as the "**Application**".

3. The Acquirer Trust, vide its Application, has submitted the following:

- A. The issued, subscribed and fully paid up equity share capital of the Target Company is Rs.14,01,84,000/- comprising 7,00,92,000 equity shares of face value of Rs. 2/- each. The shareholding pattern of the Target Company, as on the date of application, was as under:

Particulars	No. of Shares	% shareholding
Total promoter and promoter group holding	4,18,95,320	59.77%
Public	2,81,96,680	40.23%
Total	7,00,92,000	100%

- B. The Acquirer Trust intends to acquire 3,65,62,649 equity shares belonging to the promoters and the promoter group by way of gift, representing 52.16% of total shares of the Target Company.
- C. Upon the completion of the above-mentioned acquisition, the Acquirer Trust would be able to directly exercise rights over shares constituting 52.16% of the share capital of the Target Company.
- D. Pursuant to the proposed acquisition of shares and voting rights, the Acquirer Trust shall directly exercise control over the Target Company.
- E. There would be no alteration in total equity share capital of the Target Company as a result of the proposed acquisition. The shareholding pattern of the Target Company before and after the proposed acquisition would be as under:

Sr. No.	Name	Pre-Acquisition		Post-Acquisition	
		Shares	%	Shares	%
A.	Promoter & Promoter Group				
A1.	Indian				
	Individuals/Hindu undivided Family				
1	M. N. Sanghvi Family Trust	0.00	0.00%	3,65,62,649	52.16%
2	Prakash M. Sanghvi & Reshmi Sanghvi	98,32,606	14.03%	0.00	0.00%

3	Reshmidevi P. Sanghvi & Prakash Mishrimal Sanghvi & Jayantilal Mishrimal Sanghvi	23,45,625	3.35%	0.00	0.00%
4	Manoj P. Sanghvi & Dimple M. Sanghvi & Jayanti M. Sanghvi	14,12,899	2.02%	0.00	0.00%
5	Dimple Manoj Sanghvi & Manoj Prakash Sanghvi & Jayanti M. Sanghvi	3,18,750	0.45%	0.00	0.00%
6	Nilesh Prakash Sanghvi & Prakash Mishrimal Sanghvi & Jayanti M. Sanghvi	13,71,332	1.96%	0.00	0.00%
7	Sheetal Nilesh Sanghvi	37,500	0.05%	0.00	0.00%
8	Jigar Prakash Sanghvi & Prakash Mishrimal Sanghvi & Jayanti M. Sanghvi	11,34,480	1.62%	0.00	0.00%
9	Sanghvi Prakashmal Mishrimal (HUF)	23,99,702	3.42%	23,99,702	3.42%
10	Jayantilal Mishrimal Sanghvi & Shobhnadevi Jayantilal Sanghvi & Prakash M. Sanghvi	49,19,761	7.02%	0.00	0.00%
11	Shobhnadevi Jayantilal Sanghvi & Jayantilal Sanghvi & Prakash M. Sanghvi	6,84,622	0.98%	0.00	0.00%
12	Prashant J. Sanghvi & Sarika Prashant Sanghvi & Prakash M. Sanghvi	11,65,110	1.66%	0.00	0.00%
13	Sarika Prashant Sanghvi & Prashant J. Sanghvi & Prakash M. Sanghvi	1,77,411	0.48%	0.00	0.00%
14	Jayantilal M. Sanghvi (HUF)	10,13,207	1.45%	10,13,207	1.45%
15	Shantilal Mishrimal Sanghvi & Shashi Shantilal Sanghvi & Prakash M. Sanghvi	30,27,770	4.32%	0.00	0.00%
16	Shashi Shantilal Sanghvi & Shantilal Mishrimal Sanghvi & Prakash M. Sanghvi	12,57,375	1.79%	0.00	0.00%

17	Yash Shantilal Sanghvi & Shantilal Mishrimal Sanghvi & Prakash M. Sanghvi	4,68,000	0.67%	0.00	0.00%
18	Sanghvi Shantilal Mishrimal (HUF)	6,93,247	0.99%	6,93,247	0.99%
19	Pawan Kumar Mishrimalji Sanghvi & Vimla P. Sanghvi & Prakash M. Sanghvi	22,42,775	3.20%	0.00	0.00%
20	Vimla Pawan Sanghvi & Pawan Mishrimal Sanghvi & Prakash M. Sanghvi	16,39,747	2.34%	0.00	0.00%
21	Ravi Pawan Sanghvi & Pawan Mishrimal Sanghvi & Prakash M. Sanghvi	8,70,622	1.24%	0.00	0.00%
22	Sanghvi Pawankumar Mishrimal (HUF)	6,93,247	0.99%	6,93,247	0.99%
23	Late Chunilal M. Sanghvi & Arunaben C. Sanghvi & Prakash M. Sanghvi	9,73,687	1.39%	2,66,634	0.38%
24	Arunaben C. Sanghvi & Chunilal M. Sanghvi & Prakash M. Sanghvi	2,21,182	0.32%	0.00	0.00%
25	Mahendra C. Sanghvi & Usha M. Sanghvi & Prakash M. Sanghvi	2,13,375	0.30%	0.00	0.00%
26	Vijay C. Sanghvi & Sanghvi Chandra & Prakash M. Sanghvi	2,29,590	0.33%	0.00	0.00%
27	Sanghvi Chandra Vijay & Vijay Chunilal Sanghvi & Prakash Mishrimal Sanghvi	29,687	0.04%	0.00	0.00%
28	Usha M. Sanghvi & Mahendra C. Sanghvi & Prakash M. Sanghvi	3,89,745	0.56%	0.00	0.00%
29	Rishabh M. Sanghvi & Mahendra C. Sanghvi & Prakash M. Sanghvi	37,500	0.05%	0.00	0.00%
30	Babulal M. Sanghvi & Shantaben B. Sanghvi & Prakash M. Sanghvi	3,75,153	0.54%	2,66,634	0.38%

31	Shantaben Babulal Sanghvi & Babulal M. Sanghvi & Prakash Mishrimal Sanghvi	9,62,758	1.37%	0.00	0.00%
32	Jitendra Babulal Sanghvi & Babulal M. Sanghvi & Prakash M. Sanghvi	5,36,899	0.77%	0.00	0.00%
33	Pinky Jitendra Sanghvi & Jitendra B. Sanghvi & Prakash M. Sanghvi	2,19,956	0.31%	0.00	0.00%
A2.	Foreign			0.00	
Total (A=A1+A2)		4,18,95,320	59.77	4,18,95,320	59.77
B.	Public	2,81,96,680	40.23	2,81,96,680	40.23
Total (A+B)		7,00,92,000	100.00	7,00,92,000	100.00

F. The details of the aforementioned Acquirer Trust are as follows –

- Minakshi Rajendra Kumar Mehta is the Settlor of the Trust.
- Mr. Prakash M. Sanghvi, Mr. Jayanti M. Sanghvi, Mr. Shanti M. Sanghvi, Mr. Pawan Kumar M. Sanghvi, Late Mr. Chunilal M. Sanghvi, and Mr. Babulal M. Sanghvi are the Trustees of the Trust.
- The details of transferors and the Beneficiaries of the Acquirer Trust and relationship is as follows –

Name of transferors	Whether a part of promoter and promoter group	Beneficiaries & Relationship	Remarks
Prakash Mishrimal Sanghvi	Yes	Prakash Mishrimal Sanghvi – Self	The Beneficiaries are individual promoters or immediate relatives/lineal descendants of the Promoters/Transferors.
Rashmi Prakashmal Sanghvi	Yes	Rashmi Prakashmal Sanghvi - Spouse of Prakash Mishrimal Sanghvi	
Manoj Prakash Sanghvi	Yes	Manoj Prakash Sanghvi - Son of Prakash Mishrimal Sanghvi	
Dimple Manoj Sanghvi	Yes	Dimple Manoj Sanghvi - Spouse of Manoj Prakash Sanghvi (daughter in law of Prakash Mishrimal Sanghvi)	

Nilesh Prakash Sanghvi	Yes	Nilesh Prakash Sanghvi - Son of Prakash Mishrimal Sanghvi
Shital Nilesh Sanghvi	Yes	Shital Nilesh Sanghvi - Spouse of Nilesh Prakash Sanghvi (daughter in law of Prakash Mishrimal Sanghvi)
Jigar Prakash Sanghvi	Yes	Jigar Prakash Sanghvi - Son of Prakash Mishrimal Sanghvi
Jayanti Mishrimal Sanghvi	Yes	Jayanti Mishrimal Sanghvi - Self
Sobhnadevi Jayantilal Sanghvi	Yes	Sobhnadevi Jayantilal Sanghvi - Spouse of Jayanti Mishrimal Sanghvi
Prashant Jayantilal Sanghvi	Yes	Prashant Jayantilal Sanghvi - Son of Jayanti Mishrimal Sanghvi
Sarika Prashant Sanghvi	Yes	Sarika Prashant Sanghvi - Spouse of Prashant Jayantilal Sanghvi (daughter in law of Jayanti Mishrimal Sanghvi)
Shantilal Mishrimal Sanghvi	Yes	Shantilal Mishrimal Sanghvi - Self
Shashi Shantilal Sanghvi	Yes	Shashi Shantilal Sanghvi - Spouse of Shantilal Mishrimal Sanghvi
Yashkumar Shantilal Sanghvi	Yes	Yashkumar Shantilal Sanghvi - Son of Shantilal Mishrimal Sanghvi
Pawan kumar Mishrimal Sanghavi	Yes	Pawan kumar Mishrimal Sanghavi - Self
Vimlaben Pavankumar Sanghvi	Yes	Vimlaben Pavankumar Sanghvi - Spouse of Pawan kumar Mishrimal Sanghavi
Ravi Pawan Sanghvi	Yes	Ravi Pawan Sanghvi - Son of Pawan kumar Mishrimal Sanghavi Shilpa Ravi Sanghvi – Spouse of Ravi Sanghvi (daughter in law of Pawan kumar Mishrimal Sanghavi)

Chunilal Mishrimal Sanghvi	Yes	Chunilal Mishrimal Sanghvi – Self	
Arunaben Chunilal Sanghvi	Yes	Arunaben Chunilal Sanghvi - Spouse of Chunilal Mishrimal Sanghvi	
Mahendra Chunilal Sanghvi	Yes	Mahendra Chunilal Sanghvi - Son of Chunilal Mishrimal Sanghvi	
Usha Mahendra Sanghvi	Yes	Usha Mahendra Sanghvi - Spouse of Mahendra C Sanghvi (daughter in law of Chunilal Mishrimal Sanghvi)	
Rishabh M Sanghvi	Yes	Rishabh M Sanghvi - Son of Mahendra C Sanghvi Vidit Mahendrakumar Sanghvi – Son of Mahendra C Sanghvi	
Vijay Chunilal Sanghvi	Yes	Vijay Chunilal Sanghvi - Son of Chunilal Mishrimal Sanghvi	
Chandra Vijay Sanghvi	Yes	Chandra Vijay Sanghvi - Spouse of Vijay C Sanghvi (daughter in law of Chunilal Mishrimal Sanghvi)	
Babulal Mishrimal Sanghvi	Yes	Babulal Mishrimal Sanghvi – Self	
Shantaben Babulal Sanghvi	Yes	Shantaben Babulal Sanghvi - Spouse of Babulal Mishrimal Sanghvi	
Jitendra Babulal Sanghvi	Yes	Jitendra Babulal Sanghvi - Son of Babulal Mishrimal Sanghvi	
Pinky Jitendra Sanghvi	Yes	Pinky Jitendra Sanghvi - Spouse of Jitendra B Sanghvi (daughter in law of Babulal Mishrimal Sanghvi)	

G. Further, vide the Application, the Acquirer Trust has, *inter alia*, provided the following grounds for seeking exemption:

- i. Acquirer Trust is a private family trust set up, *inter alia*, for the purposes of providing a suitable succession planning structure for ensuring seamless intergenerational transfer of trust funds amongst the family members who have been identified as Beneficiaries.

- ii. The proposed transfer is only in nature of *inter se* transfer of shares within the promoter/promoter group, with no change in overall promoter/promoter group shareholding in Target Company.
 - iii. Acquirer Trust was set up by the promoters of the Target Company and would fall within the definition of “Promoter Group” under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as the present Trustees and Beneficiaries of the Acquirer Trust are family members of the Promoters and their bloodline descendants. Therefore, the Acquirer Trust would be regarded as a person deemed to be acting in concert with the promoters of the Target Company in terms of Regulation 2(1)(q)(2) of Takeover Regulations, 2011.
 - iv. Trust Deed of Acquirer Trust, *inter alia*, provides that the Trustees of Acquirer Trust shall only be individuals and immediate relatives or lineal descendants of the Trustees and/ or Beneficiaries.
 - v. Proposed acquisition would neither result in any increase or decrease in shareholding of promoter group nor would it result in change in control and management of Target Company.
 - vi. Proposed acquisitions are only a part of the internal transfer of holding of the promoter/ promoter group in the Target Company to the Trust which is not resulting into any change in the shareholding even within the promoter group and is non-commercial in nature, which will not cause any prejudice to public shareholders of Target Company.
 - vii. Proposed acquisition is intended to streamline succession and welfare of members of the Acquirer Trust. Moreover, the members of M.N Sanghvi family are the only Beneficiaries of the Acquirer Trust.
 - viii. Proposed acquisition would not have any adverse impact on the Target Company or the wider securities market in India and is not expected to cause any appreciable adverse effect on price of shares of Target Company.
- H. The Applicant also informed that one of the Trustees, Mr. Chunilal M. Sanghvi passed away on June 05, 2024. Upon his death, the shares of the Target Company held by him would get transmitted to the surviving joint holders, i.e., Mrs. Arunaben Sanghvi, Spouse and Mr. Prakash Sanghvi, Brother.

Consideration

4. Before I proceed with my consideration, I deem it fit to draw reference to the provisions of regulations 3(1) and 4 of the Takeover Regulations, 2011, which state as under:

“Substantial acquisition of shares or voting rights.

3(1): *No acquirer shall acquire shares or voting rights in a target company which taken together with shares or voting rights, if any, held by him and by persons acting in concert with him in such target company, entitle them to exercise twenty-five per cent or more of the voting rights in such target company unless the acquirer makes a public announcement of an open offer for acquiring shares of such target company in accordance with these regulations.”*

“Acquisition of control.

4. *Irrespective of acquisition or holding of shares or voting rights in a target company, no acquirer shall acquire, directly or indirectly, control over such target company unless the acquirer makes a public announcement of an open offer for acquiring shares of such target company in accordance with these regulations.”*

5. I have considered the Application submitted by the *Acquirer Trust* and other material available on record. Without reiterating the facts as stated above, the following is noted:
- (a) The Application submitted is in respect of the proposed acquisition of 3,65,62,649 equity shares representing 52.16% of capital of Target Company by the Acquirer Trust. As discussed above, the proposed acquisition will lead to the direct acquisition of control of the Target Company by the Acquirer Trust and will attract the provisions of regulations 3 and 4 of the Takeover Regulations, 2011.
 - (b) The proposed acquisition is intended to streamline succession and promote welfare of Agarwal Family. The proposed acquisition will be a non-commercial transaction which will not affect or prejudice the interests of the public shareholders of the Target Company.
 - (c) There will be no change in the control and management of the Target Company pursuant to the proposed acquisition, as stipulated under the SEBI Circular dated December 22, 2017.
 - (d) The pre and post-acquisition shareholding of the promoters and promoter group in the Target Company will remain the same.

- (e) There will also be no change in the public shareholding of the Target Company.
- (f) The Target Company shall continue to be in compliance with the minimum public shareholding requirements under the Securities Contracts Regulation Rules, 1957 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (g) The Acquirer Trust, vide its Application, has confirmed compliance with the following conditions outlined in the Schedule to the SEBI Circular dated December 22, 2017, as applicable to the Acquirer Trust:
- i. *The Trust is in substance, only a mirror image of the promoters' holdings and consequently, there is no change of ownership or control of the shares or voting rights in the target company.*
 - ii. *Only individual promoters or their immediate relatives or lineal descendants are Trustees and beneficiaries of the Trust.*
 - iii. *The beneficial interest of the beneficiaries of the Trust has not been and will not in the future, be transferred, assigned or encumbered in any manner including by way of pledge / mortgage.*
 - iv. *In case of dissolution of the Trust, the assets will be distributed only to the beneficiaries of the trust or to their legal heirs;*
 - v. *The Trustees will not be entitled to transfer or delegate any of their powers to any person other than one or more of themselves.*
 - vi. *Any change in the trustees / beneficiaries and any change in ownership or control of shares or voting rights held by the Trust shall be disclosed within 2 days to the concerned stock exchanges with a copy endorsed to SEBI for its record.*
 - vii. *As far as the provisions of the SEBI Act, 1992 and the regulations framed thereunder are concerned, the ownership or control of shares or voting rights will be treated as vesting not only with the Trustees but also indirectly with the beneficiaries.*
 - viii. *The liabilities and obligations of individual transferors under the SEBI Act, 1992 and the regulations framed thereunder will not change or get diluted due to transfers to the Trust.*
 - ix. *The Trust shall confirm, on an annual basis, that they are in compliance with the exemption order passed by SEBI. The said confirmation shall be furnished to the company which it shall disclose prominently as a note to the shareholding pattern*

filed for the quarter ending March 31 each year, under regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- x. *The Trust shall get their compliance status certified from an independent auditor annually and furnish the certificate to the Stock Exchanges for public disclosure with a copy endorsed to SEBI for its records.*
- xi. *The proposed acquisition is in accordance with the provisions of the Companies Act, 2013 and other applicable laws.*
- xii. *The transferors are disclosed as promoters in the shareholding pattern filed with the Stock Exchanges for a period of at least 3 years prior to the proposed acquisition.*
- xiii. *There is no layering in terms of trustees / beneficiaries in case of the Trust.*
- xiv. *The Trust Deed Agreement does not contain any limitation of liability of the trustees / beneficiaries in relation to the provisions of the SEBI Act, 1992 and all regulations framed thereunder.*

6. Vide joint affidavit dated July 22, 2024 filed by the Spouse, Brother and the lineal descendants of Late Chunilal M Sanghvi, it was further undertaken that the transmission of shares of the Target Company held by Late Chunilal M Sanghvi and the gift to his lineal descendants, would get completed within 2 months from the date of this Order.

7. Considering the aforementioned, I am of the view that exemption as sought for in the Application may be granted to the Acquirer Trust, subject to conditions as ordered herein below.

Order

8. I, in exercise of the powers conferred upon me under Section 19 read with Section 11(1) and Section 11(2)(h) of the SEBI Act, 1992 and Regulation 11(5) of the Takeover Regulations 2011, hereby grant exemption to the M. N. Sanghvi Family Trust from requiring to comply with the requirements of regulations 3 and 4 of the Takeover Regulations, 2011 with respect to the proposed acquisition in the Target Company, by way of proposed transaction/s as mentioned in the Application.

9. The exemption so granted is subject to the following conditions:

- (a) The proposed acquisitions shall be in accordance with the relevant provisions of the Companies Act, 2013 and other applicable laws.
 - (b) On completion of the proposed acquisitions, the Acquirer Trust shall file a report with SEBI within a period of 21 days from the date of such acquisitions, as provided in the Takeover Regulations, 2011.
 - (c) The statements / averments made or facts and figures mentioned in the Application and other submissions by the Acquirer Trust are true and correct.
 - (d) The Acquirer Trust shall ensure compliance with the statements, disclosures and undertakings made in the Application. The Acquirer Trust shall also ensure compliance with the provisions of the SEBI Circular dated December 22, 2017.
 - (e) The Acquirer Trust shall also ensure that the covenants in the Trust Deed are not contrary to the above conditions and undertakings. In such case, the Trust Deed shall be suitably modified and expeditiously reported to SEBI.
10. The exemption granted above is limited to the requirements of making open offer under the Takeover Regulations, 2011 and shall not be construed as exemption from the disclosure requirements under Chapter V of the aforesaid Regulations and compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, Listing Agreement / SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable Acts, Rules and Regulations.
11. The exemption granted in this Order from making an open offer in respect of the proposed acquisitions shall remain valid for a period of 1 year from the date of this Order and the Acquirer shall complete the implementation of the proposed acquisitions within such period, failing which the granted exemption shall lapse and cease to exist.
12. The Application filed by M. N. Sanghvi Family Trust, accordingly stands disposed of.

Place: MUMBAI

Date: OCTOBER 21, 2024

ASHWANI BHATIA
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA