

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	PROPOSED ACQUIRERS
PRINCE PIPES AND FITTINGS LIMITED	1. LOTUS FAMILY TRUST
	2. SUNFLOWER FAMILY TRUST
	3. RUBY FAMILY TRUST
	4. EMERALD FAMILY TRUST
	5. DIAMOND FAMILY TRUST

Background –

1. Prince Pipes and Fittings Limited (hereinafter referred to as the “**Target Company**”) is a company incorporated under the Companies Act, 1956 and having its registered office at Plot No 1, Honda Industrial Estate, Phase II, Honda Sattari, Goa- 403 530. The equity shares of the Target Company are listed on the BSE Ltd. (“**BSE**”) and the National Stock Exchange of India Ltd. (“**NSE**”).
2. An Application dated July 11, 2024, along with emails dated August 14, 2024, August 29, 2024, September 09, 2024, September 13, 2024, September 23, 2024, and September 24, 2024 (together referred to as “**Application**”) was received by SEBI seeking exemption from the applicability of Regulation 3(1) read with regulation 4 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (“**Takeover Regulations, 2011**”) in the matter of proposed direct acquisition of shares and voting rights in the Target Company by Lotus Family Trust (**Acquirer Trust 1**), Sunflower Family Trust (**Acquirer Trust 2**),

Ruby Family Trust (**Acquirer Trust 3**), Emerald Family Trust (**Acquirer Trust 4**) and Diamond Family Trust (**Acquirer Trust 5**) (collectively referred to as "**Acquirer Trusts**" or "**Proposed Acquirers**" or "**Applicant Trusts**").

Details of the proposed acquisitions:

3. The Acquirer Trusts vide the Application submitted the following:

- a) The issued, subscribed and paid-up equity share capital of the Target Company is Rs. 1,10,56,10,790 divided into 11,05,61,079 equity shares having a face value of Rs.10/- each. The shareholding pattern of the Target Company as on October 21, 2024 as appearing on BSE Website is as under:

Shareholding in the Target Company			
Sr. No	Name	No. of Shares	% shareholding
A.	Promoter/Promoter Group		
1.	Parag Jayant Chheda	2,07,60,303	18.777
2.	Vipul Jayant Chheda	2,07,60,303	18.777
3.	Tarla Jayant Chheda	1,73,85,832	15.725
4.	Jayant Shamji Chheda	66,52,405	6.017
5.	Jayant Shamji Chheda (Trustee of VS Family Trust)	12,00,000	1.085
6.	Vaishali Hitesh Shah	5,00,000	0.452
7.	Jayantilal Kalyanji Gada	60,000	0.054
8.	Gunvanti Jayantilal Gada	40,000	0.036
9.	Heena Parag Chheda	12,616	0.011
10.	Ashwini Vipul Chheda	6,400	0.006
11.	Mansukh Koovarji Shah(HUF)	676	0.001
12.	Mansukh Koovarji Shah	540	0.00
13.	Jayant Shamji Chheda HUF (Karta)	0	0.00
Total Promoter Shareholding		6,73,79,075	60.943
B.	Public shareholding	4,31,82,004	39.060
Total Shareholding		11,05,61,079	100

b) Lotus Family Trust and Sunflower Family Trust registered vide trust deeds dated June 09, 2022 (read with registered deed of amendment dated October 20, 2023 and September 10, 2024), Ruby Family Trust, Emerald Family Trust and Diamond Family Trust registered vide Trust deeds dated April 27, 2023 (read with registered deed of amendment dated October 09, 2023 and September 12, 2024), are irrevocable private trusts settled under the provisions of the Indian Trusts Act, 1882. The details of the Settlers, Trustees and Beneficiaries of the aforementioned Acquirer Trusts are given in the Tables below:

Lotus Family Trust		
Status	Name	Relationship
Settlor	Tarla Jayant Chheda	Self
Trustee(s)	Tarla Jayant Chheda	Self
	Jayant Shamji Chheda	Spouse of Settlor
Beneficiaries	Parag Jayant Chheda	Son of Settlor
	Heena Parag Chheda	Daughter-in-law of Settlor (Promoter)
	Nihar Parag Chheda	Grandson of Settlor
	Lineal Descendants of Parag Jayant Chheda	Lineal descendants of son of the settlor

Sunflower Family Trust		
Status	Name	Relationship
Settlor	Parag Jayant Chheda	Self
Trustee(s)	Parag Jayant Chheda	Self
	Jayant Shamji Chheda	Father of Settlor
Beneficiaries	Tarla Jayant Chheda	Mother of Settlor
	Heena Parag Chheda	Spouse of Settlor
	Nihar Parag Chheda	Son of Settlor
	Lineal Descendants of Nihar Parag Chheda	Lineal descendants of son of the settlor

Ruby Family Trust		
Status	Name	Relationship
Settlor	Vipul Jayant Chheda	Self
	Vipul Jayant Chheda	Self

Trustee(s)	Ashwini Vipul Chheda	Spouse of Settlor
Beneficiaries	Ashwini Vipul Chheda	Spouse of Settlor
	Gresha Vipul Chheda Family	Gresha Vipul Chheda is the daughter of the Settlor and Gresha Vipul Chheda Family is defined to mean Gresha Vipul Chheda and lineal descendants of Gresha Vipul Chheda.
	Dhairya Vipul Chheda Family	Dhairya Vipul Chheda is the son of Settlor and Dhairya Vipul Chheda Family means Dhairya Vipul Chheda and lineal descendants of Dhairya Vipul Chheda

Emerald Family Trust		
Status	Name	Relationship
Settlor	Vipul Jayant Chheda	Self
Trustee(s)	Vipul Jayant Chheda	Self
	Ashwini Vipul Chheda	Spouse of Settlor
Beneficiaries	Ashwini Vipul Chheda	Spouse of Settlor
	Gresha Vipul Chheda Family	Gresha Vipul Chheda is the daughter of the Settlor and Gresha Vipul Chheda Family is defined to mean Gresha Vipul Chheda and lineal descendants of Gresha Vipul Chheda.
	Dhairya Vipul Chheda Family	Dhairya Vipul Chheda is the son of Settlor and Dhairya Vipul Chheda Family means Dhairya Vipul Chheda and lineal descendants of Dhairya Vipul Chheda

Diamond Family Trust		
Status	Name	Relationship
Settlor	Vipul Jayant Chheda	Self
Trustee(s)	Vipul Jayant Chheda	Self
	Ashwini Vipul Chheda	Spouse of Settlor
	Ashwini Vipul Chheda	Spouse of Settlor

Beneficiaries	Gresha Vipul Chheda Family	Gresha Vipul Chheda is the daughter of the Settlor and Gresha Vipul Chheda Family is defined to mean Gresha Vipul Chheda and lineal descendants of Gresha Vipul Chheda.
	Dhairya Vipul Chheda Family	Dhairya Vipul Chheda is the son of Settlor and Dhairya Vipul Chheda Family means Dhairya Vipul Chheda and lineal descendants of Dhairya Vipul Chheda

- (a) The Acquirer Trusts propose to acquire interest in the Target Company directly from the promoters of the Target Company. Pursuant to the proposed acquisition of shares and voting rights, the Acquirer Trusts shall directly have control over the Target Company.
- (b) The direct acquisition of shares and voting rights in the Target Company by the Acquirer Trusts is proposed to take place in the following manner:
- (i) Tarla Jayant Chheda proposed to transfer shares of the Target company held by her to Lotus Family Trust.
 - (ii) Parag Jayant Chheda proposed to transfer shares of the Target company held by him to Sunflower Family Trust.
 - (iii) Vipul Jayant Chheda proposed to transfer shares of the Target company held by him to Ruby Family Trust, Emerald Family Trust and Diamond Family Trust.

The above transfers will be made in the manner set out in the table below:

SR. NO.	TRANSFEROR	ACQUIRER	NUMBER OF SHARES	PERCENTAGE
1.	Tarla Jayant Chheda	Lotus Family Trust	52,00,000	4.70
2.	Parag Jayant Chheda	Sunflower Family Trust	83,04,121	7.51
3.	Vipul Jayant Chheda	Ruby Family Trust	31,14,045	2.81
4.	Vipul Jayant Chheda	Emerald Family Trust	51,90,076	4.69

SR. NO.	TRANSFEROR	ACQUIRER	NUMBER OF SHARES	PERCENTAGE
5.	Vipul Jayant Chheda	Diamond Family Trust	41,52,061	3.75
TOTAL			2,59,60,303	23.46%

- (c) Pursuant to the proposed acquisition of shares and voting rights by Acquirer Trusts, the Acquirer Trusts along with other promoters and members of the promoter group shall directly acquire control over the Target Company.
- (d) There would be no alteration in the 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 will be as under:

Particulars	Shareholding before the proposed acquisition		Proposed transaction		After the proposed acquisition	
	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
Promoters & Promoter group other than Acquirer(s)						
Parag Jayant Chheda	2,07,60,303	18.777	(83,04,121)	7.51	1,24,56,182	11.27
Vipul Jayant Chheda	2,07,60,303	18.777	(1,24,56,182)	11.25	83,04,121	7.53
Tarla Jayant Chheda	1,73,85,832	15.725	(52,00,000)	4.70	1,21,85,832	11.03
Jayant Shamji Chheda	66,52,405	6.017	-	-	66,52,405	6.017
Jayant Shamji Chheda (Trustee of VS Family Trust)	12,00,000	1.085	-	-	12,00,000	1.085
Vaishali Hitesh Shah	5,00,000	0.452	-	-	5,00,000	0.452
Jayantilal Kalyanji Gada	60,000	0.054	-	-	60,000	0.054
Gunvanti Jayantilal Gada	40,000	0.036	-	-	40,000	0.036
Heena Parad Chheda	12,616	0.011	-	-	12,616	0.011
Ashwini Vipul Chheda	6,400	0.006	-	-	6,400	0.006
Mansukh Koovarji Shah(HUF)	676	0.001	-	-	676	0.001
Mansukh Koovarji shah	540	0.00	-	-	540	0.00

Particulars	Shareholding before the proposed acquisition		Proposed transaction		After the proposed acquisition	
	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
Jayant Shamji Chheda HUF (Karta)	0	0.00	-	-	0	0.00
Acquirers and Persons Acting in Concert (PAC)						
Lotus Family Trust	Nil	0.00	52,00,000	4.70	52,00,000	4.70
Sunflower Family Trust	Nil	0.00	83,04,121	7.51	83,04,121	7.51
Ruby Family Trust	Nil	0.00	31,14,045	2.81	31,14,045	2.81
Emerald Family Trust	Nil	0.00	51,90,076	4.69	51,90,076	4.69
Diamond Family Trust	Nil	0.00	41,52,061	3.75	41,52,061	3.75
Public						
Public Shareholding	4,31,82,004	39.06	Nil	0.00	4,31,82,004	39.06
Total	11,05,61,079	100.00			11,05,61,079	100.00

- (e) The abovementioned direct acquisition of shares and voting rights by the Acquirer Trusts in the Target Company would attract the applicability of the provisions of regulations 3(1) and 4 of the Takeover Regulations, 2011. Vide the Application, the Acquirer Trusts have sought exemption from SEBI in respect of the same.

Grounds for seeking exemption -

4. Vide the Application, the Acquirer Trusts have, *inter alia*, provided the following grounds for seeking exemption:
- The proposed acquisition of the shares by the Trusts is to facilitate succession planning and welfare of the families of Tarla Jayant Chheda, Parag Jayant Chheda and Vipul Jayant Chheda. The family wishes to put a succession plan in place so that the decision-making/ voting rights are properly passed to the bloodline in the family.
 - The Proposed Acquisition is a non-commercial transaction which will not affect or prejudice the interests of the public shareholders of the target company in any manner.
 - There is no effective change of control over Target Company as even after completion of the proposed acquisition, each of the Trust in substance will only be a mirror image of the promoter's holdings and consequently, there

is no effective change of ownership or control of the shares or voting rights in the target company.

- (d) Pursuant to the proposed acquisition, the pre-acquisition and post-acquisition holding of the promoter and promoter group in the Target Company will remain the same. Further, there will be no change in the public shareholding of the target company by virtue of the proposed acquisition.

Consideration-

- 5. I have considered the Application submitted by the Acquirer Trusts and other material available on record. Before I proceed further, I deem it fit to draw reference to the provisions of regulations 3(2) 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.”*

- 6. Without reiterating the facts as stated above, I note the following:
 - (a) The Application submitted is in respect of the proposed direct acquisition of shares and voting rights in the Target Company, i.e., **Prince Pipes and Fittings Limited**. The proposed acquisitions as detailed above, which are to be made by the Acquirer Trusts, will lead to the direct acquisition of control

of the Target Company and will attract the provisions of regulations 3(1) and 4 of the Takeover Regulations, 2011.

- (b) The proposed acquisitions are in furtherance to an internal reorganization within the Promoter Family and are intended to streamline succession and promote the welfare of the Promoter Family. The proposed direct acquisitions would be non-commercial transactions which would not affect or prejudice the interests of the public shareholders of the Target Company in any manner.
- (c) The trustees and the beneficial owners of the Acquirer Trusts are either individual promoters or their immediate family relatives or lineal descendants.
- (d) There will be no change in control of the Target Company pursuant to the proposed acquisitions, as stipulated under Chapter 8 of SEBI Circular No. SEBI/HO/CFD/PoD-1/P/CIR/2023/31 dated February 16, 2023(**SEBI Circular**).
- (e) The pre-acquisition and post-acquisition shareholding of the promoters and promoter group in the Target Company will remain the same.
- (f) There will be no change in the public shareholding of the Target Company.
- (g) 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.
- (h) The Acquirer Trusts confirmed that they are in compliance with the following *Guidelines outlined in the SEBI Circular*
 - (i) *The Acquirer Trusts are 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 Acquirer Trusts.*
 - (iii) *The beneficial interest of the beneficiaries of the Acquirer Trusts 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 Acquirer Trusts, 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 Acquirer Trusts 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 Acquirer Trusts.*
- (ix) *The Acquirer Trusts 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 Target 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 Acquirer Trusts shall get their compliance status certified by 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 acquisitions are 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 the case of the Acquirer Trusts.*

(xiv) *The Trust Deeds do 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.*

7. Considering the aforementioned, I am of the view that exemption as sought in the Application (read with further submissions) may be granted to the Proposed Acquirers, subject to certain 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 Proposed Acquirers, viz., **Lotus Family Trust, Sunflower Family Trust, Ruby Family Trust, Emerald Family Trust and Diamond Family Trust**, from complying with the requirements of regulation 3(1) read with regulation 4 of the Takeover Regulations, 2011 with respect to the proposed direct acquisition in the Target Company, viz., **Prince Pipes and Fittings Limited**, by way of proposed transaction 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 acquisition, the Proposed Acquirers shall file a report with SEBI within a period of 21 days from the date of such acquisition, 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 Proposed Acquirers are true and correct.
 - (d) The Proposed Acquirers shall ensure compliance with the statements, disclosures and undertakings made in the Application. The Proposed Acquirers shall also ensure compliance with the provisions of the SEBI Circular.
 - (e) The Proposed Acquirers shall also ensure that the covenants in the Trust Deeds are not contrary to the above conditions. In such case, the Trust Deeds shall be suitably modified and expeditiously reported to SEBI.

10. The exemption granted above is limited to the requirements of making an open offer under the Takeover Regulations, 2011 and shall not be construed as an exemption from the disclosure requirements under Chapter V of the aforesaid Regulations; 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 above from making an open offer in respect of the Proposed Acquisitions shall remain valid for a period of one (1) year from the date of this Order and the Applicants 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 Lotus Family Trust, Sunflower Family Trust, Ruby Family Trust, Emerald Family Trust and Diamond Family Trust stands disposed of.

PLACE: MUMBAI

DATE: October 21, 2024

ASHWANI BHATIA

WHOLE TIME MEMBER

SECURITIES AND EXCHANGE BOARD OF INDIA