

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
SIGNET INDUSTRIES LIMITED	1. SHREYA TRUST
	2. SHUBHANGI TRUST
	3. AISHWARYA TRUST
	4. ANANDA TRUST

Background –

1. Signet Industries Limited (hereinafter referred to as the “**Target Company**”) is a company incorporated under the Companies Act, 1956 and has its registered office is at Gala No. 02 & 03, Building No A-2, Ground Floor, Print World Industrial Complex, Survey No. 15/1, Road-Mankoli Vehele, Village Vehele, Bhiwandi, Thane - 421302. It was incorporated on January 29, 1985. The equity shares of the Target Company are listed on the BSE Ltd. (“**BSE**”) and National Stock Exchange of India Ltd. (“**NSE**”).
2. An Application dated May 15, 2024 along with emails dated May 24, 2024, June 14, 2024, July 09, 2024, and July 18, 2024 (together referred to as “**Application**”) was received by SEBI seeking exemption from the applicability of regulation 3 and 5 read with regulation 4 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (“**Takeover Regulations, 2011**”) in the matter of

proposed direct and indirect acquisition of shares and voting rights in the Target Company by Shreya Trust (**Acquirer Trust 1**), Shubhangi Trust (**Acquirer Trust 2**), Aishwarya Trust (**Acquirer Trust 3**) and Ananda Trust (**Acquirer trust 4**), (hereinafter collectively referred to as “**Acquirer Trusts**” or “**Proposed Acquirers**” or “**the Applicant Trusts**”).

Details of the proposed acquisitions:

3. The Acquirer Trusts vide the Application have submitted the following:
 - (a) The issued, subscribed and paid up Equity share capital of the Target Company is Rs.29,43,70,000 divided into 2,94,37,000 equity shares of Rs.10/- each. The Target Company has public shareholding of 27.43%. The non-public shareholding of 72.57% is held entirely by the promoters and promoter group.
 - (b) The promoter and promoter group of the Target Company includes Mukesh Sangla and his family comprising of Mrs. Monika Sangla (Wife), Saurabh Sangla (Son) and Avantika Sangla (Daughter-in Law) (Mukesh Sangla and his family members are referred to as the “**Sangla Family**”). The Sangla Family, *inter-alia*, owns and controls, directly or indirectly the following Companies and LLPs:
 - i. Adroit Industries(India) Limited (AAIL)
 - ii. Ornate Impex Private Limited (OIPL)
 - iii. Signet Impex Private Limited (SIPL)
 - iv. Signet Tradelinks Private Limited (STPL)
 - v. Shri Balaji Starch and Chemicals Limited.
 - vi. Swan Irrigation LLP.
 - (c) The Sangla Family along with Mukesh Sangla HUF and the above companies and LLPs hold 72.57% of voting share capital of the Target Company.

- (d) As on the date of the Application, the shareholding pattern of Target company is as under:

Table 1 – Shareholding in the Target Company			
Sr. No	Name	No. of Shares	% shareholding
A.	Promoter/Promoter Group		
1.	Mukesh Sangla HUF	34,10,072	11.59
2.	Monika Sangla	21,43,500	7.28
3.	Mukesh Sangla	9,30,569	3.16
4.	Avantika Sangla	1,50,000	0.51
5.	Saurabh Sangla	97,103	0.33
6.	Shree Balaji Starch and Chemicals LLP	38,86,200	13.20
7.	Swan Irrigation LLP	28,91,700	9.82
8.	Adroit Industries India Ltd. (AIIIL)	27,25,000	9.26
9.	Ornate Impex Pvt. Ltd. (OIPL)	20,78,400	7.06
10.	Signet Tradelinks Pvt. Ltd. (STPL)	20,65,746	7.02
11.	Signet Impex Pvt. Ltd. (SIPL)	9,84,000	3.34
Total Promoter Shareholding		2,13,62,290	72.57
B.	Public shareholding	80,74,710	27.43
Total Shareholding		2,94,37,000	100

- (e) The Shareholding pattern of Promoter group companies is as follows:

Table 2 – Shareholding in the AIIIL			
Sr. No	Name	No. of Shares	% shareholding
1	Mukesh Sangla	47,08,708	26.98
2	Saurabh Sangla	20,74,729	11.88
3	Mukesh Sangla HUF	12,41,533	7.11
4	Monika Sangla	23,24,253	13.32
5	Avantika Sangla	14,71,666	8.43

6	Ornate Impex Private Limited	12,06,597	6.91
7	Signet Impex Private Limited	10,50,380	6.02
8	Signet Tradelinks Private Limited	8,79,880	5.04
9	Shree Balaji Starch and Chemicals Limited	15,49,428	8.88
10	Swan Irrigation LLP	9,48,496	5.43
Total		1,74,55,670	100.00

Table 3 – Shareholding in the OIPL			
Sr. No	Name	No. of Shares	% shareholding
1	Mukesh sangla	5,000	50
2	Saurabh Sangla	5,000	50
Total		10,000	100.00

Table 4 – Shareholding in the STPL			
Sr. No	Name	No. of Shares	% shareholding
1	Mukesh sangla	500	50
2	Saurabh Sangla	500	50
Total		1000	100.00

Table 5 – Shareholding in the SIPL			
Sr. No	Name	No. of Shares	% shareholding
1	Mukesh sangla	5,000	50
2	Saurabh Sangla	5,000	50
Total		10,000	100.00

- (f) The Acquirer Trusts, registered vide trust deeds dated January 29, 2024 [read with registered deeds of amendment dated February 08, 2024 (for Aishwarya Trust), February 13, 2024 (for Ananda Trust) and February 13, 2024 & March 21, 2014 (for Shreya Trust and Shubhangi Trust)], are irrevocable and discretionary 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 tabulated below:

Shreya Trust (Acquirer Trust 1)		
Status	Name	Relationship
Settlor	Mukesh Sangla	Self
Trustee(s)	Mukesh Sangla	Self
	Monika Sangla	Spouse of Mukesh Sangla
Beneficiaries	Monika Sangla	Spouse of Mukesh Sangla
	Saurabh Sangla	Son of Mukesh Sangla
	Vanshika Sangla	Granddaughter of Mukesh Sangla

Shubhangi Trust (Acquirer Trust 2)		
Status	Name	Relationship
Settlor	Monika Sangla	Self
Trustee(s)	Monika Sangla	Self
	Mukesh Sangla	Spouse of Monika Sangla
Beneficiaries	Mukesh Sangla	Spouse of Monika Sangla
	Saurabh Sangla	Son of Monika Sangla
	Advika Sangla	Granddaughter of Monika Sangla

Aishwarya Trust (Acquirer Trust 3)		
Status	Name	Relationship
Settlor	Saurabh Sangla	Self
Trustee(s)	Saurabh Sangla	Self
	Mukesh Sangla	Father of Saurabh Sangla
Beneficiaries	Mukesh Sangla	Father of Saurabh Sangla
	Monika Sangla	Mother of Saurabh Sangla
	Avantika Sangla	Spouse of Saurabh Sangla
	Mahika Sangla	Daughter of Saurabh Sangla

Ananda Trust (Acquirer Trust 4)		
Status	Name	Relationship
Settlor	Avantika Sangla	Self
Trustee(s)	Avantika Sangla	Self
	Saurabh Sangla	Spouse of Avantika Sangla
Beneficiaries	Mukesh Sangla	Father-in-Law of Avantika Sangla
	Saurabh Sangla	Spouse of Avantika Sangla
	Monika Sangla	Mother-in-Law of Avantika Sangla

- (g) The Acquirer Trusts propose to acquire interest in the Target Company, directly and indirectly, from promoters of the Target Company. Pursuant to the proposed acquisition of shares and voting rights, the Acquirer Trusts shall directly and indirectly have control over the Target Company.
- (h) The direct acquisition of equity shares and voting rights in the Target Company by the Acquirer Trusts is proposed to take place in the following manner:
- (i) Monika Sangla (who is part of the promoter group of the Target Company) proposes to gift 16,07,625 equity shares (5.46%) held by her in the Target Company to Shubhangi Trust.
- (ii) Avantika Sangla (who is part of the promoter group of the Target Company) proposes to gift 1,50,000 equity shares (0.51%) held by her in the Target Company to Ananda Trust.
- (i) The abovementioned proposed direct acquisitions are summarized in the Table below:

Equity Shares of the Target Company			
Transferor	Acquirer	No. of Shares to be transferred	% of shares to be transferred
Monika Sangla	Shubhangi Trust	16,07,625	5.46
Avantika Sangla	Ananda Trust	1,50,000	0.51
Total		17,57,625	5.97

- (j) The indirect acquisition of equity shares and voting rights by the Acquirer Trusts in the Target Company is proposed to take place by transfer of shares held by members of Sangla Family (promoter entities) in the promoter companies, viz., AAIL, OIPL, SIPL, STPL (which hold shares of the Target Company), by way of gifts. The details of such transfers are tabulated below:
- (i) Transfer of 83,02,434 (47.56%) equity shares of AAIL held by Mukesh Sangla, Saurabh Sangla, Monika Sangla and Avantika Sangla, to the Acquirer Trusts, by way of gift, as per the following details:

Equity Shares of Adroit Industries India Ltd. (AIIIL)			
Transferor	Acquirer	No. of Shares proposed to be transferred	%age of shares proposed to be transferred
Mukesh Sangla	Shreya Trust	35,31,531	20.23
Monika Sangla	Shubhangi Trust	17,43,190	9.99
Saurabh Sangla	Aishwarya Trust	15,56,047	8.91
Avantika Sangla	Ananda Trust	14,71,666	8.43
Total		83,02,434	47.56

- (ii) Transfer of 7500 (75%) equity shares of OIPL, held by Mukesh Sangla and Saurabh Sangla, to the Acquire Trusts, by way of Gift, as per the following details:

Equity Shares of Ornate Impex Private Limited (OIPL)			
Transferor	Acquirer	No. of Shares proposed to be transferred	%age of shares proposed to be transferred
Mukesh Sangla	Shreya Trust	3750	37.50
Saurabh Sangla	Aishwarya Trust	3750	37.50
Total		7500	75.00

- (iii) Transfer of 7500 (75%) equity shares of SIPL, held by Mukesh Sangla and Saurabh Sangla, to the Acquirer Trusts, by way of Gift, as per the following details:

Equity Shares of Signet Impex Private Limited (SIPL)			
Transferor	Acquirer	No. of Shares proposed to be transferred	%age of shares proposed to be transferred
Mukesh Sangla	Shreya Trust	3750	37.50
Saurabh Sangla	Aishwarya Trust	3750	37.50
Total		7500	75.00

- (iv) Transfer of 750 (75%) shares of STPL, held by Mukesh Sangla and Saurabh Sangla, to the Acquirer Trusts, by way of Gift, as per the following details:

Equity Shares of Signet Tradelinks Private Limited (STPL)			
Transferor	Acquirer	No. of Shares proposed to be transferred	%age of shares proposed to be transferred
Mukesh Sangla	Shreya Trust	375	37.50
Saurabh Sangla	Aishwarya Trust	375	37.50
Total		750	75.00

- (k) Pursuant to the proposed direct and indirect acquisition of shares and voting rights by the Acquirer Trusts, the Acquirer Trusts along with other promoters and members of promoter group shall directly and indirectly acquire control over the Target Company.
- (l) There would be no alteration in total equity share capital of the Target Company as a result of the proposed acquisitions. The shareholding pattern of the Target Company, before and after the proposed acquisitions, 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)						
Mukesh Sangla HUF	34,10,072	11.59	-	-	34,10,072	11.59
Monika Sangla	21,43,500	7.28	(16,07,625)	(5.46)	5,35,875	1.82
Mukesh Sangla	9,30,569	3.16	-	-	9,30,569	3.16
Avantika Sangla	1,50,000	0.51	(1,50,000)	(0.51)	0	0.00
Saurabh Sangla	97103	0.33	-	-	97103	0.33
Shree Balaji Starch and Chemicals LLP	38,86,200	13.20	-	-	38,86,200	13.20
Swan Irrigation LLP	28,91,700	9.82	-	-	28,91,700	9.82
Adroit Industries India Limited	27,25,000	9.26	-	-	27,25,000	9.26
Ornate Impex Private Limited	20,78,400	7.06	-	-	20,78,400	7.06
Signet Tradelinks Private Limited	20,65,746	7.02	-	-	20,65,746	7.02
Signet Impex Private Limited	9,84,000	3.34	-	-	9,84,000	3.34
Acquirers and Persons Acting in Concert (PAC)						
Ananda Trust	-	-	1,50,000	0.51	1,50,000	0.51
Shubhangi Trust	-	-	16,07,625	5.46	16,07,625	5.46
Shreya Trust	-	-	-	-	-	-
Aishwarya Trust	-	-	-	-	-	-
Public						
Public Shareholding	80,74,710	27.43	-	-	80,74,710	27.43
Total	2,94,37,000	100			2,94,37,000	100

- (m) The abovementioned direct and indirect acquisition of shares and voting rights by the Acquirer Trusts in the Target Company would attract the applicability of the provisions of regulations 3(2) and 5 read with

regulation 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 Applicant Trusts have, *inter-alia*, provided following grounds for seeking exemption:
- (a) The proposed transfer is only in the nature of inter-se transfer of shares within the promoter/promoter group, with no change in the overall promoter/promoter group shareholding in the Target Company, which is 72.57% and same will remain unchanged.
 - (b) The beneficiaries, on date of the Application, and the settlors of the Acquirer trusts belong to the promoter group of the Target Company and hence, the Acquirer Trusts, post-acquisition, would become PACs within the meaning of regulation 2(q)(2)(iv) of the Takeover Regulations, 2011.
 - (c) The proposed acquisition is intended to streamline succession and welfare of the members of the Sangla Family, being members of the promoter group of the Target company. As stated above, by way of proposed acquisition, the Trustees of the Acquirer Trusts would obtain legal title to the shares held, directly and indirectly, in the Target Company. Moreover, the members of Sangla Family are the only beneficiaries of the Acquirer Trusts. Thus, the proposed transfer of shares and voting rights to the Acquirer Trusts would only result in a de jure change of shareholding in the Target Company, and consequently, the beneficial ownership of the Target Company would remain in the promoter group.
 - (d) The proposed acquisition would not result in any increase or decrease in the shareholding of the promoter group, nor would it result in a change in control and management of the Target company as Mr. Mukesh Sangla and his immediate relatives would continue to maintain their interest in the Target company through the Acquirer Trusts. The proposed acquisition would also not result in any change in the board of directors of the Target Company. The proposed acquisition would not have any adverse impact

on the Target Company or the securities market in India and is not expected to cause any appreciable or adverse effect on the price of the shares of the Target Company.

- (e) The proposed acquisition is only an internal arrangement wherein the interest of the beneficiaries in the Target Company will be held/maintained through the Acquirer Trusts. Therefore, it will not affect or prejudice the interests of the public shareholders of the Target Company in any manner and there will be no reduction/change in the holding of public shareholders in the Target Company.
- (f) The Proposed Transaction is intended to streamline succession and welfare of the Family members and their lineal descendants, being members of the promoter group of the Target Company.

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), 4 and 5 of the Takeover Regulations, 2011, which state as under –

“Substantial acquisition of shares or voting rights.

3(2): *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*

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.

Indirect acquisition of shares or control.

5(1) *For the purposes of regulation 3 and regulation 4, acquisition of shares or voting rights in, or control over, any company or other entity, that would enable any person and persons acting in concert with him to exercise or direct the exercise of such percentage of voting rights in, or control over, a target company, the acquisition of which would otherwise attract the obligation to make a public announcement of an open offer for acquiring shares under these regulations, shall be considered as an indirect acquisition of shares or voting rights in, or control over the target company...*

6. Without reiterating the facts as stated above, I note the following:
- (a) The Application submitted is in respect of the proposed acquisitions of the shareholding and voting rights in the Target Company, i.e., Signet Industries Limited. The proposed acquisitions as detailed above, which are to be made by the Proposed Acquirers, will lead to direct and indirect acquisition of control of the Target Company and will attract the provisions of regulations 3, 4 and 5 of the Takeover Regulations, 2011.
 - (b) The proposed acquisition is intended to streamline succession and promote welfare of the Sangla Family, whose members are part of the promoters and promoter group of the Target Company. The proposed acquisition would be non-commercial transaction which would not affect or prejudice the interests of the public shareholders of the Target Company in any manner.
 - (c) There will be no change in control of the Target Company pursuant to the proposed acquisition, as stipulated under the SEBI Circular No. SEBI/HO/CFD/DCR1/CIR/P/2017/131 dated December 22, 2017 (“**SEBI Circular dated December 22, 2017**”).

- (d) The pre-acquisition and post-acquisition shareholding of the Promoters and promoter group in the Target Company will remain the same.
- (e) There will 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 Proposed Acquirers have also confirmed that they are in compliance with the Guidelines outlined in the Schedule to the SEBI Circular dated December 22, 2017, which contain the following clauses:
 - (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 Acquirer Trusts 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 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 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 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 for 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., **Shreya Trust, Shubhangi Trust, Aishwarya Trust and Ananda Trust**, from complying with the requirements of regulation 3(2) and 5 read with regulation 4 of the Takeover Regulations, 2011 with respect to the proposed direct and indirect acquisitions in the Target Company, viz., **Signet Industries 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 dated December 22, 2017.
 - (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 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; 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 Acquisition within such period, failing which the granted exemption shall lapse and cease to exist.

12. The Application dated May 15, 2024 read with other submissions, filed by Shreya Trust, Shubhangi Trust, Aishwarya Trust and Ananda Trust, are accordingly disposed of.

PLACE: MUMBAI

ASHWANI BHATIA

DATE: AUGUST 14, 2024

WHOLE TIME MEMBER

SECURITIES AND EXCHANGE BOARD OF INDIA