



GRAVITA INDIA LTD.

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CIN : L29308RJ1992PLC006870

May 6, 2016

The BSE Ltd.
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001
Fax No.: 022 22722041

The Listing Department
The National stock Exchange of India Ltd.
Exchange Plaza, C-1, Block-G,
Bandra - Kurla Complex, Bandra (E)
Mumbai- 400 051
Fax No.: 022-26598237/38

SUB: Intimation in connection with the order received from SEBI under Regulation 11 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ('Takeover Regulations')

Ref: SCRIP CODE: 533282

Dear Sir/Madam,

We have received an intimation with the a copy of order received from SEBI under Regulation 11 of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ('Takeover Regulation') from 'Agrawal Family Private Trust'. A copy of the same is enclosed herewith.

Kindly take the above information on your records and oblige.

Thanking you,

Yours faithfully,

For, Gravita India Limited


Leena Jain 6/5/16
(Compliance Officer)
FCS-8500



Encl: As above

Works & Regd. Office:

'SAURABH', Chittora Road, Diggi-Malpura Road
Tehsil: Phagi, JAIPUR- 303 904, Rajasthan (INDIA)
Phone: +91 -9928070682 Email: works@gravitaindia.com

AGRAWAL FAMILY PRIVATE TRUST

**Address: C-137, Dayanand Marg, Tilak Nagar, Jaipur-302004
(Raj.)**

May 6, 2016

To,

The Company Secretary

Gravita India Limited

'SAURABH', Harsulia Mod,

P.O. Harsulia, Diggi- Malpura Road,

Phagi- 303904

Dear Sir/Madam,

Sub: Intimation in connection with the order received from SEBI under Regulation 11 of the Securities and Exchange board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ('Takeover Regulations')

Kindly note that we are in receipt of the SEBI order dated April 27th, 2016 bearing reference no. WTM/PS/12/CFD-DCR/APR/2016 granting an exemption from making an open offer under Regulation 3 of the Takeover Regulations in respect of the proposed acquisition of shares of your company – i.e. **Gravita India Limited**. We propose to acquire 17348025 Equity Shares of Rs. 2/- each of Gravita India Limited from Dr. Mahavir Prasad Agarwal ('promoter') and Mrs. Shashi Agarwal ('promoter') in line with the attached SEBI order dated April 27th, 2016. The acquisition is proposed to be done by way of gift through off market transaction to the Agrawal Family Private Trust.

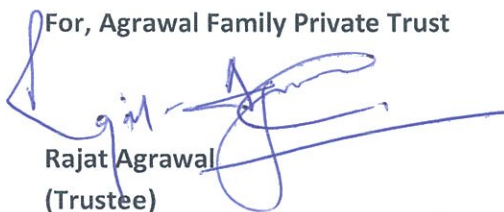
In this connection, please find enclosed the order passed by SEBI in exercise of the powers conferred under Section 19 of the Securities and Exchange Board of India Act, 1992 read with Regulation 11(5) of Takeover Regulations as **Appendix-I** for your reference.

You are requested to kindly take the same on record and oblige

Thanking you,

Yours faithfully,

For, Agrawal Family Private Trust



Rajat Agrawal
(Trustee)

SECURITIES AND EXCHANGE BOARD OF INDIA

ORDER

In the matter of application filed under regulation 11(3) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 seeking exemption from making public announcement and open offer with respect to proposed acquisition of shares and voting rights of **Gravita India Limited**

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1. **Agarwal Family Private Trust** ("the acquirer" or "**Trust**"), through its trustee, Mr. Rajat Agarwal, filed an application dated March 19, 2015 ("the application") under regulation 11 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("the **Takeover Regulations**"), seeking exemption from making an open offer under regulation 3 of the Takeover Regulations in respect of its proposed acquisition of 25.41% equity shares/voting rights of **Gravita India Limited** ("the **target company**").
 2. The acquirer had stated the following in its application:
 - (a) The target company was registered under the Companies Act, 1956 and its equity shares are listed on the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE).
 - (b) Dr. Mahavir Prasad Agarwal owns 20.03% equity shares of the target company and is part of the promoter group of the target company. Mrs. Shashi Agarwal owns 5.38% equity shares of the target company and is also part of the promoter group of the target company. The above persons are named as promoters for more than three years in the shareholding pattern filed by the target company in terms of the listing agreement.
 - (c) Dr. Mahavir Prasad Agarwal and Mrs. Shashi Agarwal (collectively referred to as "transferors") propose to transfer their entire stake i.e. 25.41% in the target company to the acquirer by way of gift through off-market transaction, as a part of private family arrangement and to realign

the Agarwal family's equity shareholding in the target company. The proposed transaction would trigger regulation 3(1) of the Takeover Regulations.

(d) The acquirer would be regarded as a person acting in concert with the promoters in terms of regulation 2(q) of the Takeover Regulations.

(e) There is no fresh acquisition of shares and the total post-acquisition shareholding of the promoter group would remain at 73.34%.

(f) The acquirer has sought exemption from the obligation to make an open offer under regulation 3(1) of the Takeover Regulations with respect to the proposed acquisition of 25.41% of equity shares from the transferors on the following grounds:

- i. The promoter shareholding in the target company is at 73.34% and the transferors are part of the promoter group.
- ii. The transferors together hold 17348025 equity shares comprising of 25.41% of the total paid-up capital of the target company.
- iii. The trustees and beneficiaries of the acquirer/Trust are family members of the transferors.
- iv. There will be no change in control in the target company.
- v. The proposed acquisition of 25.41% equity shares/voting rights is only a part of internal realignment of holdings within the Agarwal family and is a non-commercial transaction. Therefore, it will not prejudice the interest of the public shareholders of the target company.
- vi. Pursuant to the proposed transaction, instead of directly exercising voting rights, the transferors (being part of the promoter group) would exercise the same through the acquirer.

3. On perusal of the application, SEBI vide email dated April 30, 2015, informed the acquirer regarding the concerns related to enforceability, lack of transparency, change in control, absence of benefit to investors and inheritance tax. With respect to these concerns, the acquirer submitted the following:

- (a) The Trust is a private trust created by the promoters for the welfare of their family. As the trustees are the promoters themselves, they would also be under obligation to comply with all the compliances as they were earlier holding shares in the individual capacity.

- (b) Being a private trust, there is no complexity in the structure and will not lead to any transparency issues.
- (c) Being a private trust, there was very little room for change in trustees. However, for successor of trustees clause 18 was included in the trust deed. This clause provided that a successor trustee shall succeed to all of the title, powers, discretion and obligations of the discharged trustee. It stated that in the event of demise or incapacitation of Dr. Mahavir Prasad Agarwal, a list of family members (in order of priority) was provided who would be appointed as successor individual trustee along with Mr. Rajat Agrawal. The clause also provided the list of persons who would be appointed in the event of demise or incapacitation of Mr. Rajat Agarwal or both Dr. Mahavir Prasad Agarwal and Mr. Rajat Agarwal. According to the acquirer, there will be no change in control by change of trustees.
- (d) As promoters themselves are the trustees in the trust, there will be no change or dilution in control of the target company and hence the question of giving exit opportunity to existing investors of the company does not arise.
- (e) Regarding inheritance tax, the acquirer submitted that as on date there was no provision of any inheritance tax in India and therefore there was no question of saving on inheritance tax.

4. Thereafter, vide letter dated August 25, 2015, the acquirer forwarded the undertaking from the transferors in the matter of transfer of their shareholding in the target company to the acquirer. The transferors have given the following undertaking:

- "1. In the event of change in the Trustee or beneficiaries of the Trust resulting in the change in the control of the Target Company, the Trust shall comply with the relevant provision of the SEBI Takeover Code and give necessary intimation to SEBI/ Stock exchange where the securities of the Target Company are listed.*
- 2. In the event SEBI initiates any proceeding against the Trust in its capacity as a promoter of the Company, the trustees who are also the promoters, if found responsible for any violation, shall continue to be liable in the same manner as if such trustees have been acting as promoters in their individual capacity.*
- 3. If any outsider (i.e. other than family members and their descendants) becomes the Trustee or beneficiaries of the Trust, they shall comply with the relevant provisions of the SEBI (SAST) Regulation, 2011 as may be applicable.*

4. In case, the Trust introduce any outsider (i.e. other than the family members and their descendants), the Trust shall comply with the disclosure requirements under the relevant provisions of the SEBI (SAST) Regulations, 2011 as may be applicable.”

5. The application, the subsequent submissions and the aforesaid undertaking given by the transferors were placed before the Panel of Experts for a recommendation in terms of regulation 11 of the Takeover Regulations. The Panel in its meeting held on September 19, 2015, while considering this instant matter along with other matters observed as follows:

“The basis of the above exemption is that the holding of the concerned LLP/Trust is in substance, only a mirror image of the holdings of the individual members of the concerned family and consequently, there is no real change of ownership or control of the shares or voting rights in the target company. Necessarily therefore, the exemption must be on the following conditions:-

- i. The LLP/Trust Deed must contain the following covenants and the following undertakings must be furnished by the transferors and the LLPs/Trusts:-*
 - a. Any change in the trustees/beneficiaries/partners and any change in ownership or control of shares or voting rights held by the LLP/Trust shall be disclosed to the concerned stock exchanges;*
 - b. The provisions of the SEBI Act and the regulations framed thereunder will apply on the basis that the ownership or control of shares or voting rights vests not only directly with the LLP/Trustees but also indirectly with the partners/beneficiaries.*
- ii. The Trust Deed/LLP agreement shall be amended to ensure that it does not contain any limitation of liability of the trustees/beneficiaries/partners in relation to the provisions of the SEBI Act and all regulations framed thereunder.*
- iii. The liabilities and obligations of the individual transferors under the SEBI Act and the regulations framed thereunder will not change or get diluted due to the above transfers to the LLPs/Trusts”.*

6. SEBI, vide letter dated October 21, 2015, informed the acquirer of the recommendation of the Panel and also informed it that if the recommendation was acceptable, then to furnish the revised undertaking incorporating such recommendation in order for SEBI to take further action on the

application. Thereafter, vide letter dated October 30, 2015, the transferors and Mr. Rajat Agarwal (trustee of the acquirer) furnished undertaking in line with the recommendation of the Panel.

7. The acquirer, vide email dated January 06, 2016, also forwarded a copy of the duly registered Supplementary Trust Deed December 11, 2015. On perusal of the said supplementary deed, it is noted that the recommendation of the Panel was incorporated therein and that the Main Trust Deed dated August 27, 2014 was modified to the extent mentioned in this supplementary deed.

8. Thereafter, vide separate letters dated April 25, 2016 (forwarded vide email dated April 27, 2016), Mr. Mahavir Prasad Agarwal and Mrs. Shashi Agarwal (the proposed transferors) had specifically stated that they do not have any objection to their proposed transfer of equity shares to the acquirer and that such transfer was made voluntarily in pursuance of their internal family arrangement.

9. I have perused the application, the recommendation of the Panel, the undertaking/other submissions made by the acquirer and the transferors. The transferors are desirous of transferring their entire stake of 25.41% voting rights/equity shares of the target company to the acquirer. This proposed transaction is said to be part of an internal realignment of holdings within the Agarwal family and is a non-commercial transaction. Pursuant to the transaction, the shareholding of transferors would reduce to 'nil' in the target company and that of the acquirer would increase from 0% to 25.41%. The acquirer has also stated that the transferors, the trustees and beneficiaries of the acquirer/Trust are family members and therefore there would be no change in the control in the target company pursuant to the proposed transaction. It is also noted that the acquirer is considered to be a person acting in concert with the promoters of the target company in terms of regulation 2(q) of the Takeover Regulations.

10. As mentioned above in this Order, the transferors and the acquirer have, as advised by the Panel, made their undertaking and have also modified the Trust Deed vide the Supplementary Deed in order to incorporate the conditions of the Panel. The transferors have also indicated their 'no objection' to their proposed transfer of equity shares to the acquirer and have also stated that such transfer was voluntary in pursuance of their internal family arrangement.

11. I also note that there would be no change in the shareholding of the promoter group, which would remain constant prior to and post the transaction. Further, the proposed transaction, on consummation, would not result in any change of control or management in the target company. Considering the above and also the fact that the acquirer has consented and provided undertaking as recommended by the Panel, I am of the view that exemption as sought for in the application be granted to the acquirer, as sought, subject to certain conditions as ordered herein below.

12. Accordingly, I, in exercise of the powers conferred upon me under Section 19 of the Securities and Exchange Board of India Act, 1992 read with regulation 11(5) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, hereby grant exemption to the acquirer, namely, **Agarwal Family Private Trust** from complying with the requirements of regulations 3(1) and 3(2) read with 3(3) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 with respect to its proposed acquisition of 25.41% equity shares/voting rights in the target company, Gravita India Limited, by way of gift/transfer from the transferors, Dr. Mahavir Prasad Agarwal and Mrs. Shashi Agarwal.

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

- a. The proposed acquisition shall be in accordance with the relevant provisions of the Companies Act, 2013 and other applicable laws.
- b. The proposed acquisition shall be completed within a period of 30 days from the date of this Order. On completion of the transaction, the acquirer shall file a report with SEBI in the manner provided in the Takeover Regulations, within a period of 21 days from the date of such acquisition.
- c. The statements/ averments made or facts/ figures given in the application and in the subsequent correspondence by the proposed acquirer are true and correct to its best knowledge.
- d. Any change in the trustees/beneficiaries and any change in ownership or control of shares or voting rights held by the Acquirer shall be disclosed to the concerned stock exchanges.
- e. The provisions of the SEBI Act and the regulations framed thereunder will apply on the basis that the ownership or control of shares or voting rights vests not only directly with the trustees but also indirectly with the beneficiaries of the Acquirer.

- f. There shall be no limitation of liability of the trustees/beneficiaries in relation to the provisions of the SEBI Act and all regulations framed thereunder.
- g. The liabilities and obligations of the individual Transferors under the SEBI Act and the regulations framed thereunder will not change or get diluted due to the transfer of shares of the Target Company to the Acquirer.
- h. The proposed acquirer/Trust, its beneficiaries and Trustees, transferors shall honour their undertaking and shall also ensure compliance with the statements, disclosures and undertakings made in the application and in their subsequent correspondence.

14. The exemption granted above is limited to the requirements of making open offer under regulations 3(1) and 3(2) read with 3(3) of the Takeover Regulations and shall not be construed as exemption from the disclosure requirements under Chapter V of the Takeover Regulations, the compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Listing Agreement/SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable Acts, Rules and Regulations.

15. Accordingly, the application dated March 19, 2015 filed by the acquirer, Agarwal Family Private Trust is disposed off.

PRASHANT SARAN
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA

Date: April 27th, 2016

Place: Mumbai