AsahiSongwon

Ref: ASCL/NSE/SEC20/1604/1

April 6, 2016

To,
General Manager (Listing)
National Stock Exchange of India Ltd
5th Floor, Exchange Plaza
Bandra – Kurla Complex
Bandra (East)
Mumbai – 400 051
Fax: 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: Company Symbol: ASAHISONG

Dear Sir/Madam,

We have received an 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') from Gokul M. Jaykrishna Family Trust. A copy of the same is enclosed herewith.

Kindly take the above information on your records.

Thanking you,

Yours faithfully,
For, **ASAHI SONGWON COLORS LIMITED**

SAJI JOSEPH
Company Secretary

Encl: As above

Gokul M. Jaykrishna Family Trust

(Office Add: "River Ranch", Nr. APS International School, Opp. Mother Dairy, Bhat, Ahmedabad – 382428)

April 6, 2016

To,
General Manager (Listing)
National Stock Exchange of India Ltd
5th Floor, Exchange Plaza
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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')**

Ref: Scrip Symbol: ASAHISONG

Kindly note that we are in receipt of the SEBI order dated March 08, 2016 bearing reference no. WTM/PS/183/CFD-DCR/MAR/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 the target company – i.e **Asahi Songwon Colors Limited**, a Company Listed on your esteemed Stock Exchange. We proposes to acquire 15,05,049 Equity Shares of Rs. 10/- each of **Asahi Songwon Colors Limited** from Mr. Gokul M Jaykrishna ('promoter') and 10,93,283 shares of Rs.10/- each of **Asahi Songwon Colors Limited** from Mr. Munjal M Jaykrishna ('promoter') in line with the attached SEBI order dated March 8, 2016. The acquisition is proposed to be done by way of block deal in a phased manner at a price prevailing on the stock exchange on the date of respective tranche of acquisition.

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 necessary reference.

Gokul M. Jaykrishna Family Trust *

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

Thanking you,

Yours faithfully,
For Gokul M. Jaykrishna Family Trust

Gokul M. Jaykrishna
(Trustee)

Radhika Gokul Jaykrishna
(Trustee)

Gokul M. Jaykrishna Family Trust *

Encl: As above

WTM/PS/83/CFD-DCR/MAR/2016

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 Asahi Songwon Colors Limited

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1. **Gokul M. Jaykrishna Family Trust** ("the proposed acquirer") filed an application dated August 15, 2014 ("the application") under regulation 11(3) 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 21.17% equity shares/voting rights of **Asahi Songwon Colors Limited** ("the target company"). The following statements/submissions were *inter alia* made in the application:

(a) The proposed acquirer is a private family trust settled on July 27, 2014 under the Indian Trust Act, 1882 for the benefit of the family members, viz., the promoters of the target company.

(b) The target company was incorporated under the Companies Act, 1956 and its shares are listed on the Bombay Stock Exchange Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"). The shares are frequently traded on the BSE and NSE.

(c) The promoter group of the target company holds 62.28% of the equity shares and voting rights in the target company. The total paid-up equity capital of the target company, as on the date of the application, is Rs.12,27,22,620/- divided into 1,22,72,262 fully paid-up shares of Rs.10/- each. All equity shares have uniform voting rights.

(d) The proposed acquirer is a beneficiary of Mrugesh Jaykrishna Family Trust 1, a private family trust, whose trustees are Mrs. Paru M. Jaykrishna and Mr. Mrugesh Jaykrishna. The trustees of the proposed acquirer trust are Mr. Gokul Jaykrishna (son of Mrs. Paru and Mr. Mrugesh Jaykrishna) and Mrs. Radhika Jaykrishna (wife of Mr. Gokul Jaykrishna). The beneficiaries of the

proposed acquirer trust are Gokul Jaykrishna, Radhika Jaykrishna, Arjun Gokul Jaykrishna Trust (beneficiaries are Arjun Gokul Jaykrishna and Radhika Gokul Jaykrishna) and Ambika Gokul Jaykrishna Trust (beneficiaries are Ambika Gokul Jaykrishna and Radhika Gokul Jaykrishna). Arjun Gokul Jaykrishna and Ambika Gokul Jaykrishna are the children of Mr. Gokul Jaykrishna.

(e) Mrs. Paru Jaykrishna is the Chairperson and Managing Director of the target company while Mr. Gokul Jaykrishna is the Joint Managing Director. The trustees and beneficiaries of the proposed acquirer trust are family members of the Jaykrishna family (promoter family).

(f) Details of the proposed acquisition: The shareholding and voting rights held by the members of the promoter family is tabulated below:

Name	No. of shares held	Voting rights/shares as %
Paru Jaykrishna	46,32,054	37.74%
Gokul Jaykrishna	15,05,049	12.26%
Munjal Jaykrishna	15,05,049	12.26%
Total	76,42,152	62.27%

The balance promoter holding of 600 shares is held by Intercon Finance Private Limited, which is owned by promoters/family members of the promoter group.

The proposed acquirer proposes to acquire entire 15,05,049 shares (approximately 12.26%) held by Gokul Jaykrishna and 10,93,283 shares (8.91%) held by Munjal Jaykrishna. [*The shares held by Paru Jaykrishna and the balance shares held by Munjal Jaykrishna (i.e. 50,43,820 shares) are proposed to be acquired by Mrugesh Jaykrishna Family Trust-1, for which a separate exemption application is filed with SEBI.*] The acquisition is proposed to be done by way of block deal in terms of SEBI cicular MRD/DOP/SE/CIR-19/05 dated September 2, 2005 in a phased manner at a price prevailing on the stock exchange on the date of respective tranche of acquisition. The proposed acquirer would purchase shares out of funds gifted by its trustees/beneficiaries.

Reasons for seeking exemption:

(a) The proposed acquirer is currently not holding any shares in the target company. Pursuant to the proposed transaction by the proposed acquirer, its shareholding would increase from 'nil' to 21.17%. The proposed acquirer would therefore be under an obligation to make an open offer as required under regulation 3(1) of the Takeover Regulations.

(b) Exemptions available under regulation 10 do not apply to the proposed acquisition.

(c) The proposed acquisition is further to an internal family reorganization within the Jaykrishna family and is pursuant to a private family arrangement intended to streamline succession and welfare of Jaikrishna family and would be a non-commercial transaction which would not affect or prejudice the interest of the public shareholders of the target company in any manner.

(d) The proposed acquisition would not result in any increase/decrease in the holding of the promoter group, nor would result in change in control and management of the target company. Gokul Jaykrishna (trustee of proposed acquirer) through whom control would be exercised over the assets of the trust is also the promoter of the target company in his personal capacity.

(e) The proposed transfer of shares of the target company is not to any third parties but to private family trust, whose trustees and beneficiaries are the family members of Jaykrishna family and their bloodline descendants. The beneficiaries of the Trust are the members of the Jaykrishna family and/or entities that are owned and controlled by any of the members of the Jaykrishna family.

(f) In any event, as the trust has been set up for the benefit of the members of the Jaykrishna family, the trustees of the proposed acquirer will exercise control only as part of Jaykrishna family. Therefore, regardless of whether the proposed acquirer exercises control in its personal capacity or as trustees, the Jaykrishna family would continue to be in control of the target company.

(g) The change in the identity of persons exercising voting rights over the target company would only be between persons who in their personal capacities are promoters of the company and are the relatives of the persons transferring the shares.

(h) The proposed acquirer is an entity promoted by the promoters of the target company and should fall within the definition of 'promoter group' under the SEBI ICDR Regulations, 2009 as the trustees and beneficiaries of the proposed acquirer are family members of Mrs. Paru Jaykrishna and Gokul Jaykrishna, promoters of the target company. Mrs. Paru Jaykrishna and Gokul Jaykrishna have been holding shares in target company for a period of more than 3 years. The proposed acquirer does not hold any shares in the target company prior to the proposed acquisition. The proposed acquirer should also be regarded as a *'person acting in concert'* with the promoters in terms of regulation 2(1)(q) of the Takeover Regulations.

(i) There is no effective change in the exercise of voting power or in the control/management of the target company. The pre-acquisition shareholding and post-acquisition shareholding of the promoter group in the target company would therefore remain same at 62.28%.

In view of the above grounds, the proposed acquirer requested SEBI to grant exemption from making open offer under regulation 3 of the Takeover Regulations in respect of the proposed acquisition.

2. With respect to the concerns of SEBI regarding enforceability, transparency, control, benefit to investors, inheritance tax, when a trust is an acquiret, the applicant made the following submissions vide email dated March 27, 2015:

(a) Trustees are individuals who always represent the trust and all regulations can therefore be enforced on the trustees in their individual capacity. Accordingly, there is no difficulty as regards enforceability if the shares of the listed companies are held by the trustees for the benefit of the beneficiaries.

(b) The Trust is a private family trust. The ultimate beneficiaries are also individuals from the Jaykrishna family. The trustees of the trust are also individuals from the same family. These individuals are promoters and are in control of the listed companies. The structure in no way results in lack of transparency and does not in any way impact the interest of investors.

(c) There is no change in control or beneficial ownership of the company. Any change in the trustees or beneficiaries in future would have implications under the applicable Takeover Regulations. Therefore, there is also no question of giving an opportunity to the investors to exit.

(d) The transfer to the trust is for efficient succession planning and for holding the controlling interest in the listed company in one entity rather than spreading the holding amongst different individuals which may not be in the best interest of the companies and investors. Further, there is no legislation, current or proposed, for levy of any inheritance tax in India. Therefore, there is no question of saving or avoiding the same.

3. Thereafter, vide letter dated July 18, 2015, the proposed acquirer submitted/undertook as follows–

(a) Where there is a change in the trustees or beneficiaries of the Trust resulting in change in control of the target company, such change in trustee or beneficiary shall be in compliance with the Takeover Regulations and necessary intimation shall be made to the stock exchanges.

(b) Where SEBI initiates any proceedings against the Trust in its capacity as a promoter, the trustees who are also the beneficiaries and found responsible of any violation shall continue to be liable in the same manner as if such trustees have been acting as promoters in their individual capacity.

(c) Trustees/applicant undertake that no outsider other than the family members and their descendants shall be part of the Trust in any form whatsoever. In case, the Trust introduces any outsider, the same will be treated as change in control and will be subject to compliance with the Takeover Regulations. If there is any change in the beneficial interest of the beneficiaries of the Trust, the same would be subject to disclosures as per the Takeover Regulations.

4. The application was referred to the Panel of Experts, in terms of the *proviso* to regulation 11(5) of the Takeover Regulations, to make recommendation to SEBI. The Panel, in its meeting held on September 19, 2015, recommended as follows:

(i) "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:-

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".*

5. SEBI, vide letter dated October 20, 2015, informed the proposed 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. In response, the proposed acquirer, vide letter dated November 2, 2015, submitted as follows:

"*1. The Trust Deed/LLP agreement shall contain the following covenants and we undertake the following:*

a. *Any change in the trustees/beneficiaries/partners and any change in ownership or control of shares or voting rights held by the Trust/LLP 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 Trustees/LLP but also indirectly with the beneficiaries/partners.*

2. 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.

3. 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".

Thereafter, vide e-mail dated January 13, 2016, the transferors (Gokul Jaykrishna and Munjal Jaykrishna) also furnished similar undertaking.

6. Subsequently, the transferors submitted letters dated February 08, 2016 (forwarded vide e-mail dated February 09, 2016), indicating their consent with respect to their transfer of shares in pursuance of the proposed transaction. In this regard, I note that -

(a) **Gokul M. Jaykrishna** had stated the following:

"With respect to the application in connection with the subject matter, I undertake the following;

1. *I have no objections with respect to the proposed transfer of 12.26% equity shares of Asahi Songwon Colors Limited to Gokul M. Jaykrishna Family Trust and 8.50% and 6.89% equity shares of Akshavchem India Limited to Mrugesh Jaykrishna Family Trust-2 and Munjal M. Jaykrishna Family Trust respectively; and*
2. *I hereby provide my full consent for proposed internal reorganization within Jaykrishna Family as stated above.*

....."

(b) The other transferor, **Mr. Munjal M. Jaykrishna**, had stated as follows:

"With respect to the application in connection with the subject matter, I undertake the following;

1. *I have no objections with respect to the proposed transfer of 15.39% Equity shares of AksharChem (India) Limited to Munjal M. Jaykrishna Family Trust and 3.36% and 8.91% Equity Shares of Asahi Songwon Colors Limited to Mrugesh Jaykrishna Family Trust 1 and Gokul M. Jaykrishna Family Trust respectively; and*
2. *I hereby provide my full consent for proposed internal reorganization within Jaykrishna Family as stated above.*

....."

7. I have considered the application, the recommendation of the Panel, the revised undertaking of the proposed acquirer, the no-objection of the transferors for the proposed transaction and other material on record. As per the application, the proposed acquirer (Gokul M. Jaykrishna Family Trust) proposes to acquire 15,05,049 shares (approximately 12.26%) held by Gokul Jaykrishna and 10,93,283 shares (8.91%) held by Munjal Jaykrishna. The acquisition is proposed to be done through block deal in terms of SEBI Circular dated September 02, 2005 in a phased manner at prevailing price on the stock exchange

as on the date of respective tranche of acquisition. Pursuant to the said acquisition, the proposed acquirer would be eligible to exercise 21.17% shares and voting rights in the target company.

8. The proposed acquirer has submitted that it is promoted by the promoters of the target company and would fall within the definition of 'promoter group' under the ICDR Regulations as its trustees and beneficiaries are family members of Paru Jaykrishna and Gokul Jaykrishna, the promoters of the target company. The proposed acquirer has also stated that it should be regarded as 'person acting in concert' with the promoters of the target company in terms of regulation 2(1)(q) of the Takeover Regulations. Accordingly, pursuant to the proposed transaction, the shareholding of the promoter group would increase by more than 5% threshold as specified under regulation 3(2) and would consequently trigger the open offer requirements under regulation 3 of the Takeover Regulations.

9. The Panel has observed 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. However, for additional safeguards, as advised by the Panel, the proposed acquirer has given an undertaking that in case of 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 to the concerned stock exchanges and that 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. The proposed acquirer also assured that the Trust Deed shall be amended to ensure that it does not contain any limitation of liability of the trustees/beneficiaries in relation to the provisions of the SEBI Act and all regulations framed thereunder and that 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 Trust. Similar undertaking have been furnished by the proposed transferors also, as mentioned above.

10. I also note that –

(a) The proposed transfer of shares is only within the persons of the promoter group, two promoters transfer their shares in the company to a Trust (the proposed acquirer), of which the beneficiaries {*Gokul Jaykrishna, Radhika Jaykrishna, Arjun Gokul Jaykrishna Trust (beneficiaries are Arjun Gokul Jaykrishna and Radhika Gokul Jaykrishna) and Ambika Gokul Jaykrishna Trust (beneficiaries are Ambika*

Gokul Jaykrishna and Radhika Gokul Jaykrishna)} and trustees (Gokul Jaykrishna and Radhika Jaykrishna (wife of Gokul Jaykrishna)) are the persons belonging to the promoter group or related to them.

(b) The proposed transaction is pursuant to a private family arrangement intended to streamline succession and welfare of Jaykrishna family and would not affect the interest of the public shareholders. There is no change in the shareholding of the promoter group, which would remain constant prior to and post the transaction.

(c) The proposed transaction, on consummation, would not result in any change of control or management in the target company.

(d) The proposed transferors have also indicated their consent with respect to their transfer of shares to the proposed acquirer.

11. Considering the above and also the fact that the proposed acquirer and transferors have consented and provided undertaking as recommended by the Panel, I am of the view that exemption as sought for in the application be granted subject to certain conditions as ordered herein below.

12. I, therefore, in exercise of powers conferred under section 19 of the Securities and Exchange Board of India Act, 1992 read with regulation 11(5) of the Takeover Regulations, hereby grant exemption to the proposed acquirer, Gokul M. Jaykrishna Family Trust, from the open offer requirements under regulation 3 of the Takeover Regulations in respect of its acquisition of 25,98,332 shares (21.17%) of the target company, Asahi Songwon Colors Limited, as proposed in the application dated August 15, 2014, 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 Trust Deed shall be revised as undertaken by the acquirer and the transferors within a period of 30 days from the date of this Order and furnish an authenticated copy of the same to SEBI.

(c) The proposed acquisition shall be completed within a period of 30 days after revision of the Trust Deed. On completion of 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.

(d) 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.

(e) The proposed acquirer/Trust, its beneficiaries and Trustees, transferors shall honour their undertaking given pursuant to the recommendation of the Takeover Panel in this case. The Acquirers/Target Company/transferors shall also ensure compliance with the statements, disclosures and undertakings made in the application and in their subsequent correspondence.

13. The exemption granted above is limited to the requirements of making open offer under regulation 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.

14. Accordingly, the application dated August 15, 2014 filed by Gokul M. Jaykrishna Family Trust is disposed off.

PRASHANT SARAN
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA

Date: March 08 , 2016
Place: Mumbai