

Sunil Kadam



WEIZMANN
FOREX LTD.

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27/08

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To,
Securities and Exchange Board of India
SEBI Bhavan, G Block,
Bandra Kurla Complex, Bandra East,
Mumbai - 400 051

भा. प्र. वि. बो. SEBI
सं/No 65421
दिनांक
Date 27 AUG 2012
Date: 24th August, 2012

(gm/vs) pl.

Subject: Request for Interpretative Letter under SEBI (Informal Guidance) Scheme, 2003 regarding transfer of shares inter-se amongst the Promoters:

Facts:

- 1) Weizmann Forex Limited (the Company) is an Indian Public Limited Company, having its registered office at Empire House, 214, Dr. D. N. Road, Ent. A. K. Nayak Marg, Fort, Mumbai – 400 001. The equity shares of the Company are listed with Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE).
- 2) Paid-up share capital of the Company consists of 11564357 Equity shares of face value of Rs. 10/- each. Shareholding of Promoter and Promoter Group as on 30th June 2012 is 8626301 shares which represent 74.59% of total share capital and Shareholding of Public Shareholders is 2938056 shares which represent 25.41% of total paid-up share capital. The shareholding pattern of the Company as on 30th June 2012, as filed with BSE and NSE is attached marked **Annexure-I**.
- 3) The Hon'ble High Court of Bombay had sanctioned a Composite Scheme of Arrangement between Weizmann Limited (listed company), Weizmann Forex Limited, Karma Energy Limited (both subsidiary companies), Chanakya Holdings Limited and Karma Wind Power Limited (both resultant companies) vide its Order dated 29th October 2010 (copy attached marked **Annexure II**). As per the said Scheme, the subsidiary companies Weizmann Forex Limited and Karma Energy Limited (both transferor companies) were amalgamated with Weizmann Limited (transferee company) with effect from merger appointed date 1st April 2009.



Post amalgamation of the subsidiary companies under the same Composite scheme of arrangement, the Forex business undertaking of Weizmann Limited was demerged into the resultant company Chanakya Holdings Limited. Similarly the Power business undertaking of Weizmann Limited was demerged into the resultant company Karma Wind Power Limited. Both the demergers were effective from demerger appointed date 1st April 2010.

As per the same composite scheme of arrangement and after complying with procedural aspects with the Registrar of Companies, the two resultant companies viz. Chanakya Holdings Limited and Karma Wind Power Limited were renamed as Weizmann Forex Limited and Karma Energy Limited respectively.

Pursuant to the said composite scheme of arrangement Equity shares of face value of Rs.10/- each of the resultant companies Weizmann Forex Limited and Karma Energy Limited were allotted to the shareholders of Weizmann Limited vide allotment dated 16th December 2010. The basis of allotment was that for every three equity shares of face value of Rs.10/- each held in Weizmann Limited, the shareholders received two equity shares of face value of Rs.10/- each from each of the said resultant companies Weizmann Forex Limited and Karma Energy Limited.

The aforesaid Equity shares of the resultant companies viz. Weizmann Forex Limited and Karma Energy Limited were listed on BSE and NSE on 28th June 2011 pursuant to Relaxation of Rule 19(2) (b) of Securities Contracts (Regulation) Rules, 1957 granted by SEBI vide letter dated 15th April 2011, a copy of which is enclosed marked **Annexure-III**.

- 4) The proposal herein seeking informal guidance from SEBI is Promoter and few Promoter Group entities desire to transfer part of their equity shareholding in listed Weizmann Forex Limited to another company in the Promoter Group.



- 5) As stated above the Promoter and the Promoter Group in aggregate is holding 74.59% of total Paid-up Equity Share Capital of Weizmann Forex Limited (WFL).
- 6) The Promoter named in the Information Memorandum filed with the authorities in both the companies is Mr. Chetan D Mehra. The Promoter Group amongst others include Mr. Dharmendra G Siraj, Sitex India Private Limited, Hansneel Impex Private Limited and Kotta Enterprises Limited hereinafter referred collectively as "the Proposed Transferors of Equity Shares of WFL" and Tapi Energy Projects Limited, and Windia Infrastructure Finance Limited, both RBI registered NBFCs hereinafter referred collectively as "the proposed Transferees of Equity Shares of WFL".
- 7) The number of shares proposed to be transferred subject to informal guidance from SEBI is reflected in the table below.

Sr. No.	Proposed transferor	Category of Proposed Transferor	No. of shares held on 30-06-2012	% to total paid-up equity share capital	No. of equity shares proposed to be transferred	% of shares proposed to be transferred to the total paid-up equity share capital	Proposed Transferee in Promoter Group
1	2	3	4	5	6	7	8
1.	Chetan Mehra	Promoter	1464000	12.66	520280	4.50	Tapi Energy Projects Limited
2.	Dharmendra Siraj	Promoter Group	1112470	9.62	551477	4.77	Tapi Energy Projects Limited
3.	Sitex India Pvt. Ltd.	Promoter Group	1220859	10.56	640288	5.54	Tapi Energy Projects Limited
4.	Hansneel Impex Pvt. Ltd.	Promoter Group	423653	3.66	238902	2.07	Tapi Energy Projects Limited
5.	Kotta Enterprises Ltd.	Promoter Group	49053	0.42	49053	0.42	Windia Infrastructure Finance Limited



16.88

18.89

- 8) The relevant provisions of SEBI (Substantial Acquisition of Shares & Takeovers) 2011 are reproduced below :

Regulation 10 (1) of the SEBI (Substantial Acquisition of Shares & Takeovers) 2011

General Exemption:

The following acquisitions shall be exempt from the obligation to make an open offer under regulation 3 and regulation 4 subject to fulfillment of the conditions stipulated therefor —

(a) acquisition pursuant to inter se transfer of shares amongst qualifying persons being—

(i)

(ii) persons named as promoters in the shareholding pattern filed by the target company in terms of the listing agreement or these regulations for not less than three years prior to the proposed acquisition.

- 9) We understand from the specific Regulation of Takeover Code, 2011 for exemption of inter se transfer of securities amongst Promoters, one of the conditions to be satisfied is the name of Transferor and Transferee should have been disclosed as Promoter or Person Acting in Concert in the shareholding pattern filed for at least three years prior to the proposed transfer.



- 10) As stated above the target company Weizmann Forex Limited was listed in BSE and NSE from 28.06.2011 only post restructuring of Weizmann Group as detailed in serial no.3 hereinabove. Further the resultant company M/s. Chanakya Holdings Limited which was a closely held company and now renamed as Weizmann Forex Limited as per scheme of arrangement approved by the Hon'ble High Court of Bombay has been in existence since 1985.

Further pursuant to the aforesaid scheme of arrangement, Equity Shares of face value of Rs.10/- each in the resultant company has been issued to the Equity Shareholders of Weizmann Limited as detailed in serial no. 3 hereinabove.

- 11) Guidance is sought in the matter of proposed transfer of shares amongst Promoter Group inter se as to whether the proposed Transferors and Transferees being the Promoter and Promoter Group named in the shareholding pattern filed in the demerged listed company Weizmann Limited and / or the resultant company Chanakya Holdings Limited can also be taken into consideration for satisfying the aforesaid Regulation of the Transferors and Transferee named in the shareholding pattern disclosed for a minimum period of three years prior to proposed transfer.
- 12) The facts of proposed Transferors and Transferee named in the shareholding filed in the target company Weizmann Forex Limited, demerged company Weizmann Limited and the resultant company M/s. Chanakya Holdings Limited prior to listing are as follows :



Name	Names of Proposed Transferors and Transferee in the shareholding pattern filed in target company ; demerged company Weizmann Limited and resultant company			
	30 th June 2012	30 th June 2011	30 th June 2010	30 th June 2009
Proposed Transferors				
Chetan D. Mehra	Weizmann Forex Limited	Weizmann Forex Limited	Weizmann Limited	Weizmann Limited
Dharmendra G Siraj	Weizmann Forex Limited	Weizmann Forex Limited	Weizmann Limited and Chanakya Holdings Limited *	Weizmann Limited and Chanakya Holdings Limited *
Sitex India Private Limited	Weizmann Forex Limited	Weizmann Forex Limited	Weizmann Limited	Weizmann Limited
Hansneel Impex Private Limited	Weizmann Forex Limited	Weizmann Forex Limited	Weizmann Limited	Weizmann Limited
Kotta Enterprises Limited	Weizmann Forex Limited	Weizmann Forex Limited	Weizmann Limited	Weizmann Limited
Proposed Transferee				
Windia Infrastructure Finance Limited	Weizmann Forex Limited Weizmann Limited	Weizmann Forex Limited Weizmann Limited	Chanakya Holdings Limited * Weizmann Limited	Chanakya Holdings Limited * Weizmann Limited
Tapi Energy Projects Limited	Weizmann Forex Limited	Weizmann Forex Limited	Chanakya Holdings Limited *	Neither holding in Weizmann Limited nor in Chanakya Holdings Limited

* The first filing of shareholding pattern as per clause 35 format was on 26.03.2010 seeking in principle approval for the scheme of arrangement as per Listing Agreement executed by Weizmann Limited.

In the light of above, we would like to avail guidance of the Hon'ble Board vide SEBI (Informal Guidance) Scheme, 2003, on the following grounds:



Please advise us:

1. Whether shareholding of the proposed transferors in demerged company Weizmann Limited (Listed Company) and resultant company Chanakya Holdings Limited (Unlisted prior to it being listed on 28.06.2011 post renaming as Weizmann Forex Limited), which is the target company can be considered for satisfying the criteria of the names appearing in the shareholding pattern for minimum three years prior to transfer ?
2. Whether shareholding of the proposed Transferee Company Tapi Energy Projects Limited (Promoter Group) in the resultant company in Scheme of Arrangement detailed above viz. Chanakya Holdings Limited prior to its renaming as Weizmann Forex Limited (Target company) listed on 28.06.2011 and the shareholding of the said Transferee company from June 2010 onwards till date can be counted for satisfaction of the subject Regulation 10(1) of SAST, 2011?

As per guidelines, a Demand Draft No. 037931 dated 17th August 2012 drawn on IndusInd Bank (Bank) for Rs.25,000/- payable at Mumbai, towards fees payable for seeking interpretative letter under SEBI (Informal Guidance) Scheme, 2003 was enclosed with previous application submitted to SEBI on 17th August 2012 (acknowledgement enclosed as Annexure IV).

Owing to the nature of the query, the fact that no decision of sale/ transfer has been taken by the relevant parties, we request that the subject matter and the contents of this letter be treated as confidential in accordance with Para 11 of the Scheme for the maximum period possible.





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We will be pleased to provide any additional information on hearing from you and will be available for personal discussion if required. We would appreciate your early action in this matter.

Thanking you

Yours faithfully

For Weizmann Forex Limited

Sairp
Director / Company Secretary



