



भारतीय प्रतिभूति
और विनिमय बोर्ड

**Securities and Exchange
Board of India**

DEPUTY GENERAL MANAGER
CORPORATION FINANCE DEPARTMENT
DIVISION OF CORPORATE RESTRUCTURING
Tel: 26449616
Email: anindyakd@sebi.gov.in

CFD/DCR/TO/OW/25627/2012
November 16, 2012

Aksh Optifibre Limited
J-1/1, B-1, Extension,
Mohan Co-operative Industrial Estate,
Mathura Road,
New Delhi - 110044

Kind Attention- Mr. Gaurav Mehta, Company Secretary

Dear Sir,

Sub.:- Request for Informal Guidance under Securities and Exchange Board of India (Informal Guidance) Scheme, 2003.

1. This has reference to your letters dated August 27, 2012 and September 1, 2012 requesting for interpretive letter under Securities and Exchange Board of India (Informal Guidance) Scheme, 2003.

Your submissions

2. You have represented as under;

- a. Aksh Optifibre Limited (AOL) a widely held Public Limited Company, is listed at both NSE & BSE.
- b. The paid-up capital of the company was 14,29,24,871 with promoter shareholding of 4,29,49,225 equity shares (30.05%) as on March 31, 2012.
- c. During the period from April 1, 2012 till date the following changes have occurred in the share capital:

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- i. Paid-up share capital has been increased to 14,68,82,238 equity shares pursuant to conversion of FCCBs and allotment of equity shares.
- ii. Promoters shareholding has been increased to 4,94,95,449 equity shares pursuant to open market purchase.

d. Consequent to the above mentioned changes in the capital structure and acquisition, the latest position is as under:-

Particulars	As on 31.03.2012	As on 31.07.2012
Paid up capital	14,29,24,871	14,68,82,238
Promoter shareholding	4,29,49,225	4,94,95,449
Percentage	30.05%	33.70%

e. The detailed chronology of the above changes in promoter shareholding and paid up share capital during April 1, 2012 to July 31, 2012, is as follows:-

S.No	Date	Particulars	No. of shares issued/ acquired	Consequent change in the paid-up share capital/ promoter holding
1.	16.04.2012	Shares acquired by the Promoter Group (Mr.P.F. Sundesha & Family Members)	2,96,224	No change in the paid-up share capital but promoter holding increased to 4,32,45,449 equity shares
2.	01.06.2012	Equity shares issued pursuant to the conversion of FCCBs	11,60,518	Paid up share capital stands increased to 14,40,85,389 Equity Shares of Rs. 5/- each
3.	22.06.2012	GDRs acquired by Promoter Group (Through Dr. K.S. Choudhari)	87,500 GDRs underlying 43,75,000 shares	No change in the paid-up share capital but promoter holding increased to 4,76,20,449 equity shares.
4.	05.07.2012	Equity Shares issued pursuant to the conversion of FCCBs	27,96,849	Paid up share capital stands increased to 14,68,82,238 Equity Shares of Rs. 5/- each.
5.	16.07.2012	GDRs acquired by Promoter Group (Through Dr. K.S. Choudhari)	37,500 GDRs underlying 18,75,000 shares	No change in the paid-up share capital but promoter holding increased to 4,94,95,449 equity shares.



Clarification sought by you

3. In light of the above submissions, the applicant has sought interpretive guidance on the following:
- Whether the limit of 5% shall be calculated on the present share capital of the company i.e. 14,68,82,238 Equity Shares of Rs.5/- each and the promoters are allowed to acquire 73,44,112 equity shares during the Financial Year 2012-13 as per regulation 3(2) of SEBI(SAST) Regulation, 2011 (based on present paid up share capital).
- (OR)
- As the Promoter holding as on 31st March, 2012 was 30.05% and the creeping acquisition allowed to them is to acquire 5% in the financial year 2012-13, and hence they can acquire 85,32,999 equity shares during 2012-13, to make their shareholding equal to 5,14,82,224 shares equivalent to 3.05% of present share capital.

Our Views

4. Regulation 3(2) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (hereinafter referred to as "Takeover Regulations, 2011") states that:

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:

Provided that such acquirer shall not be entitled to acquire or enter into any agreement to acquire shares or voting rights exceeding such number of shares as would take the aggregate shareholding pursuant to the acquisition above the maximum permissible non-public shareholding.

Explanation.— For purposes of determining the quantum of acquisition of additional voting rights under this sub-regulation,—



- (i) gross acquisitions alone shall be taken into account regardless of any intermittent fall in shareholding or voting rights whether owing to disposal of shares held or dilution of voting rights owing to fresh issue of shares by the target company.
- (ii) in the case of acquisition of shares by way of issue of new shares by the target company or where the target company has made an issue of new shares in any given financial year, the difference between the pre-allotment and the post-allotment percentage voting rights shall be regarded as the quantum of additional acquisition.

5. It is clarified that the quantum of acquisition of voting rights for the purpose of regulation 3(2) of the Takeovers Regulations, 2011, shall be computed separately for every acquisition of voting rights based on the paid-up share capital of the target company at the time of acquisition and aggregated for the financial year. Based on the facts submitted by you, the acquisition by the promoter for the year 2011-12 is computed as below:-

Date	Change in share capital	Promoter shareholding	Percentage shareholding	Increase/Decrease
31.03.2012	14,29,24,871	4,29,49,225	30.05	
16.04.2012	14,29,24,871	4,32,45,449	30.26	0.21
01.06.2012	14,40,85,389	4,32,45,449	30.01	-0.24
22.06.2012	14,40,85,389	4,76,20,449	33.05	3.03
05.07.2012	14,68,82,238	4,76,20,449	32.42	-0.63
16.07.2012	14,68,82,238	4,94,95,449	33.70	1.28
	Gross acquisition			4.52

The gross acquisition as on 16.07.2012 aggregates to 4.52%. Accordingly, as shown in the above table, the promoter/promoter group can acquire upto 0.48% of the paid up capital of AOL as on 16.07.2012 during the remaining financial year 2012-2013. However, the said percentage of 0.48 may also change if there is variation in the paid up capital of the company as shown in the table.

6. This position is based on the representation made to the Division in your letter. Different facts or conditions might require a different result. This letter does not express decision of the Board on the questions referred.



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7. You may note that the above views are expressed by this Division only with respect to the clarifications sought on SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and do not affect the applicability of any other law or requirements.

Yours faithfully,

Anindya Das