

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA, MUMBAI  
CORAM: S. RAMAN, WHOLE TIME MEMBER

ORDER

UNDER 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 THACKER AND COMPANY LIMITED.

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Background –

- 1.1 Thacker and Company Limited (“**Target Company**”) was incorporated on April 16, 1878. The Registered Office of the Target Company is at Bhogilal Hargovindas Building, Mezzanine Floor 18/20, K. Dubhash Marg, Mumbai–400001. The shares of the Target Company are listed on **BSE**.
- 1.2 SEBI received an application dated May 18, 2016 (“**Application**”) from Yashvardhan Jatia Trust (Trustee – Gautam N. Jajodia) (“**Proposed Acquirer**”) seeking exemption from the applicability of Regulation 3(2) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (“**Takeover Regulations**”) in respect of the proposed acquisition and control of the shareholding and voting rights in the Target Company.
- 1.3 Regulation 3(2) of the Takeover Regulations, states –  
**“3. Substantial acquisition of shares or voting rights.**  
*(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:*  
*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.”*
- 1.4 In the aforementioned application, the following was stated –
  - i. “Yashvardhan Jatia Trust – **Proposed Acquirer** is a private Trust whose Settlor is Shri Arun Kumar Jatia and the sole beneficiary of the Trust is Master Yashvardhan Arunkumar Jatia.

- ii. *Shri Arun Kumar Jatia is the father of Master Yashvardhan Arunkumar Jatia, who is currently a minor and the other Trustees are related to the beneficiary as under:*
- a. *Ms. Vasudha Jatia and Ms. Vrinda Jatia are the elder sisters of Master Yashvardhan Arunkumar Jatia.*
  - b. *Shri Gautam N Jajodia is the maternal uncle of Master Yashvardhan Arunkumar Jatia.*
- iii. *Yashvardhan Jatia Trust is a part of the Promoter/Promoter Group of the Target Company.*
- iv. *Since Shri Arun Kumar Jatia (Settlor), Master Yashvardhan Jatia (Sole beneficiary of the Yashvardhan Jatia Trust) and all the Trustees of the Yashvardhan Jatia Trust with the exception of Shri Gautam N. Jajodia (maternal uncle of Master Yashvardhan Jatia and is a member of the family of the Promoters) are Promoters or belong to the Promoter Group of the Target Company, the Trust is to be treated as person acting in concert (“PAC”) within the meaning of Regulation 2(q) of the Takeover Regulations.*
- v. *The settlement of the Promoter shares into the Trust is not a sale or exchange or a gift since the proposed transfer does not carry the characteristics of either of the forms of transfers, viz.*
- a. *Absence of any consideration;*
  - b. *No economic enjoyment of the Promoter shares by the Trust; and*
  - c. *The Trust does not have the absolute right to deal with the acquired property in any manner whatsoever without any conditions.*
- vi. *The Private Family Trust acting through its Trustees shall not pay any consideration, whether directly, indirectly or otherwise, to the Transferors for the transfer of the Promoter Shares into the Trust.*
- vii. *The Acquirer does not hold any shares in the Target Company.*
- viii. *The Directors of the Target Company are as under:*

<b>Table A</b>		
<b>Sr. No.</b>	<b>Name</b>	<b>Designation</b>
1.	<i>Mr. Vidhan Mittal</i>	<i>Chairman &amp; Non-Executive Independent Director</i>
2.	<i>Mr. Arun Kumar Jatia</i>	<i>Non-Executive Promoter Director</i>
3.	<i>Mr. S K Bansal</i>	<i>Non-Executive Director</i>
4.	<i>Mr. B K Khaitan</i>	<i>Non-Executive Independent Director</i>
5.	<i>Mr. V K Beswal</i>	<i>Non-Executive Independent Director</i>
6.	<i>Ms. Vrinda Jatia</i>	<i>Non-Executive Promoter Director</i>

- ix. *The opening and closing prices as on May 13, 2016, on the BSE/NSE is as under –*

<b>Table B</b>		
	<b>Opening Price</b>	<b>Closing Price</b>
<b>BSE</b>	260	260

- x. The current Promoter Group holding in the Target Company (subsequently revised to show as on September 30, 2016), is as follows –

<b>Table C</b>			
<b>Sr. No.</b>	<b>Name</b>	<b>No. of shares</b>	<b>% Shareholding</b>
<b>A.</b>	<b>Promoter Group</b>		
1.	Arun Kumar Mahabir Prasad Jatia Jointly With Basant Kumar Khaitan (Executor of will of Mahabir Prasad Jatia)	78510	9.97
2.	Arun Kumar Mahabir Prasad Jatia (Executor of will of Poonam Jatia)	39000	4.95
3.	Yashvardhan Jatia	1000	0.13
4.	Yashvardhan Jatia Trust	0	0
5.	Arun Kumar Mahabir Prasad Jatia	38530	4.89
6.	Chem Mach Pvt Ltd	65000	8.25
7.	Suma Commercial Private Limited	342690	43.51
8.	Vrinda Jatia	15000	1.90
9.	Vasudha Jatia	11000	1.40
10.	Fujisan Technologies Limited	0	0
11.	Pudumjee Holding Limited	0	0
12.	Kairos Investments	0	0
13.	Arun Jatia HUF	0	0
14.	Mahabir Prasad Jatia Family Trust	0	0
15.	Poonam Jatia Family Trust	0	0
16.	Pudumjee Paper Products Limited	0	0
17.	Pudumjee Pulp & Paper Mills Limited	0	0
18.	Pudumjee Investments & Finance Company Limited	0	0
19.	Pudumjee Industries Limited	0	0
20.	Pudumjee Hygiene Products Limited	0	0
		<b>5,90,730</b>	<b>75.00</b>
<b>B.</b>	<b>Public Shareholding</b>	1,96,920	25.00
<b>C.</b>	<b>Total (A + B)</b>	<b>7,87,650</b>	<b>100.00</b>

**Proposed Acquisition –**

- xi. The proposal is for transfer of 1,18,410 (15.03%) equity shares held by some of the current promoters (Arunkumar Mahabir Prasad Jatia jointly with Basant Kumar Khaitan, Arunkumar Mahabir Prasad Jatia and Master Yashvardhan Jatia) to Yashvardhan Jatia Trust as part of the internal re-alignment of holdings within the Promoter Group family.

<b>Table D</b>					
	<b>Name</b>	<b>Pre – Acquisition</b>		<b>Post – Acquisition</b>	
		<b>Shares</b>	<b>%</b>	<b>Shares</b>	<b>%</b>
<b>A.</b>	<b>Promoter Group</b>				
1.	Arun Kumar Mahabir Prasad Jatia Jointly With Basant Kumar Khaitan (Executor of will of Mahabir Prasad Jatia)	78510	9.97	0	0
2.	Arun Kumar Mahabir Prasad Jatia (Executor of will of Poonam Jatia)	39000	4.95	0	0
3.	Yashvardhan Jatia*	1000	0.13	100	0.02
4.	Yashvardhan Jatia Trust	0	0	1,18,410	15.03
<b>B.</b>	<b>Total</b>	<b>1,18,510</b>	<b>15.03</b>	<b>1,18,510</b>	<b>15.03</b>

\*Of the 1000 shares of the Target Company held by Master Yashvardhan Jatia, 900 shares are proposed to be transferred to Yashvardhan Jatia Trust. The remaining 100 shares will be retained by Yashvardhan Jatia.

*Additionally, we wish to submit the following clarification with respect to the proposed acquisition of shares:*

- *The 78,510 shares constituting 9.97% of the total paid up capital of the Target Company, were bequeathed by Late Shri Mahabir Prasad Jatia (deceased in May 2012), by way of a will, to Master Yashvardhan Jatia.*
- *Shri Basant Kumar Khaitan and Shri Arun Kumar Jatia were appointed as the Executors of the Will as per the probate dated June 10, 2014, granted by the Hon'ble Bombay High Court.*
- *The shares are currently being held in the joint names of the Executors of the Will and in the capacity of joint executors of the Will until the said shares are finally transmitted to Master Yashvardhan Jatia, the beneficiary of the Trust, who is presently 12 years of age and is a minor.*
- *While Shri Arun Kumar Jatia is part of the Promoter Group of the Company and one of the Trustees of the Acquirer i.e. Yashvardhan Jatia Trust, Shri Basant Kumar Khaitan is not a part of the Promoter Group of the Target Company nor is he a Trustee of the Acquirer.*
- *Therefore, we believe that pursuant to the proposed acquisition of shares by the Acquirer, the role of Shri Basant Kumar Khaitan, as the joint executor of the Will should be completed and hence, there shall be no further obligation and liability of Shri Basant Kumar Khaitan towards these shares in future.*

***Rationale and Grounds for Exemption –***

- xii. *Shri Arun Kumar Jatia who is the father and natural guardian of the minor child is a single parent and the entire shareholding bequeathed to the minor child as well as those shares which are held by the minor child in his own name, is being managed by him, as the minor child's guardian.*
- xiii. *Shri Arun Kumar Jatia is also the sole signatory of the Demat Account of Master Yashvardhan Jatia and in his absence, there is no other signatory to the said Account. It is felt that transfer of the said shares to the Trust would facilitate the better management of the shares entitled to and held by the minor child since there would be more than one signatory to operate the Demat Account.*
- xiv. *The proposed transfer of shares to the Trust, thus, emanate from the father's concern and effort to spread the responsibility of securing the minor son's future and financial interests among a group of trusted, close and immediate relatives.*
- xv. *Shri Mahabir Prasad Jatia has bequeathed 78,510 shares constituting 9.97% of the paid up capital of the Target Company to his grandson Master Yashvardhan Jatia, the sole beneficiary of the Trust, who is also legal owner of the shares.*
- xvi. *Further, 39,000 shares constituting 4.95% of the paid up capital of the Target Company has also been bequeathed by way of will of Smt. Poonam Jatia to her minor son, Master Yashvardhan Jatia.*
- xvii. *The shares bequeathed to Master Yashvardhan Jatia are currently being held by Executors of the respective wills.*

- xviii. *It is also proposed to transfer 900 shares constituting 0.11% of the paid up capital of the Target Company which are being held by Master Yashvardhan Jatia in his name.*
- xix. *Pursuant to the proposed transaction, instead of directly exercising voting rights to the extent of 15.03%, the Promoters of the Target Company would exercise the same through the Acquirer. There would be no reduction in the holding of the public shareholders in the Target Company.*
- xx. *The proposed acquisition is only an arrangement wherein the shares of the minor beneficiary will be held by the Trust and therefore, it will not be prejudicial to the interests of the public shareholders of the Target Company.”*

1.5 In June 2016, SEBI sought clarification from the Acquirer *inter alia* on the following issue –

- 1. *To confirm if Yashvardhan Jatia Trust is shown as part of the Promoter Group in the other three companies i.e. in shareholding patterns, etc. If not, to state that Yashvardhan Jatia Trust is a PAC with the Promoters and will become part of the Promoter Group after the acquisition.*

1.6 Vide an e-mail dated June 23, 2016 and letter dated June 28, 2016, the Acquirer submitted its reply to SEBI wherein it forwarded copies of the latest shareholding patterns of Pudumjee Paper Products Limited (“PPPL”), Pudumjee Industries Limited (“PIL”), Target Company, Pudumjee Pulp and Paper Mills Limited, and stated as under –

- 1. *To confirm if Yashvardhan Jatia Trust is shown as part of the Promoter Group in the other three companies i.e. in shareholding patterns, etc. If not, to state that Yashvardhan Jatia Trust is a PAC with the Promoters and will become part of the Promoter Group after the acquisition.*

*“Yes. Yashvardhan Jatia Trust has been shown as part of the Promoter Group of PPPL, PIL, Target Company and Pudumjee Pulp and Paper Mills Limited with NIL shareholding.”*

- 1.7 Vide an e-mail dated November 25, 2016 and letter dated January 19, 2017, the Acquirer submitted details regarding the pre-acquisition and post-acquisition shareholding in the Target Company, which is as under –

<b>Table E</b>					
	<b>Name</b>	<b>Pre – Acquisition</b>		<b>Post – Acquisition</b>	
		<b>Shares</b>	<b>%</b>	<b>Shares</b>	<b>%</b>
<b>A.</b>	<b>Promoter Group</b>				
1.	<i>Arun Kumar Mahabir Prasad Jatia Jointly With Basant Kumar Khaitan (Executor of will of Mahabir Prasad Jatia)</i>	78510	9.97	0	0
2.	<i>Arun Kumar Mahabir Prasad Jatia (Executor of will of Poonam Jatia)</i>	39000	4.95	0	0
3.	<i>Yashvardhan Jatia*</i>	1000	0.13	100	0.02
4.	<i>Yashvardhan Jatia Trust</i>	0	0	1,18,410	15.03
5.	<i>Arun Kumar Mahabir Prasad Jatia</i>	38530	4.89	38530	4.89
6.	<i>Chem Mach Pvt Ltd</i>	65000	8.25	65000	8.25
7.	<i>Suma Commercial Private Limited</i>	342690	43.51	342690	43.51
8.	<i>Vrinda Jatia</i>	15000	1.90	15000	1.90
9.	<i>Vasudha Jatia</i>	11000	1.40	11000	1.40
10.	<i>Fujisan Technologies Limited</i>	0	0	0	0
11.	<i>Pudumjee Holding Limited</i>	0	0	0	0
12.	<i>Kairos Investments</i>	0	0	0	0
13.	<i>Arun Jatia HUF</i>	0	0	0	0
14.	<i>Mahabir Prasad Jatia Family Trust</i>	0	0	0	0
15.	<i>Poonam Jatia Family Trust</i>	0	0	0	0
16.	<i>Pudumjee Paper Products Limited</i>	0	0	0	0
17.	<i>Pudumjee Pulp &amp; Paper Mills Limited</i>	0	0	0	0
18.	<i>Pudumjee Investments &amp; Finance Company Limited</i>	0	0	0	0
19.	<i>Pudumjee Industries Limited</i>	0	0	0	0
20.	<i>Pudumjee Hygiene Products Limited</i>	0	0	0	0
<b>B.</b>	<b>Total Promoter Group</b>	<b>5,90,730</b>	<b>75.00</b>	<b>5,90,730</b>	<b>75.00</b>
<b>C.</b>	<b>Public</b>	<b>1,96,920</b>	<b>25.00</b>	<b>1,96,920</b>	<b>25.00</b>
<b>D.</b>	<b>Total (A + B)</b>	<b>7,87,650</b>	<b>100.00</b>	<b>7,87,650</b>	<b>100.00</b>
*Of the 1000 shares of the Target Company held by Master Yashvardhan Jatia, 900 shares are proposed to be transferred to Yashvardhan Jatia Trust. The remaining 100 shares will be retained by Yashvardhan Jatia.					

#### Observations of the Takeover Panel on the Application made by the Proposed Acquirer –

##### A. Takeover Panel's Recommendations –

- 2.1 In its meeting held on October 20, 2016 (minutes of the said meeting were approved on November 28, 2016), the Takeover Panel made the following observations in relation to enforcing compliance with the conditions specified in the exemption orders passed by SEBI in matters involving acquisition by Trust entities –

*“With a view to enforce compliance with the conditions specified in the exemption orders passed by SEBI in trust case, the Panel recommended the following:*

- (i) *The Trust shall confirm, on an annual basis, that it is in compliance with the exemption order passed by SEBI. The said confirmation shall be furnished to the 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.*
- (ii) *The Trust shall get the compliance status certified from an Independent Auditor annually and furnish the same to SEBI.”*

2.2 Vide letter dated December 22, 2016, the Proposed Acquirer forwarded a duly notarized copy of Supplemental Indenture dated December 21, 2016, to the Trust Deed dated August 22, 2014, containing the following covenants –

- 3. *“As regards the listed securities to be transferred by natural guardian of Beneficiary and by the respective executors of last wills and testaments of late Mr. Mahabir Prasad Jatia and late Mrs. Poonam Arunkumar Jatia and held by the Trust, the Trustees hereby covenant as under:*
  - a. *Any change in the trustees/beneficiaries and any change in ownership or control of share or voting rights held by the Trust shall be disclosed to the concerned stock exchanges.*
  - b. *The provision 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.*
  - c. *The trust deed does not contain any limitation of liability of the trustees/ beneficiaries in relation to the provision of the SEBI Act and all regulations framed thereunder.*
  - d. *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 transfer to the Trust.*
  
- 4. *In order to enable the Trustees to exercise voting rights in respect of the securities held/to be held by the Trust, the Trustees agree and confirm that the following clause shall be added ...*
  - a. *Voting Rights in respect of the securities acquired and held by the Trust shall be exercisable by Mr. Arun Kumar Jatia, the Trustee or in his absence, by any other Trustee of the Trust or such other person, as may be decided by the Trustees by a resolution passed by the Trust in this behalf.”*

**B. Takeover Panel’s Recommendations –**

2.3 The Application dated May 18, 2016, was forwarded to the Takeover Panel in terms of the *proviso* to Regulation 11(5) of the Takeover Regulations. The matter relating to the Target Company was deliberated by the Takeover Panel in its meeting held on January 7, 2017 (minutes of the said

meeting were approved on February 17, 2017). The Takeover Panel made the following observations –

*“In the case of **Pudumjee Industries Limited, Pudumjee Paper Industries Limited and Thacker and Co. Limited**, the Panel took note of SEBI Order dated November 28, 2016 and its recommendation made in the meeting held on March 19, 2016, for granting exemption to the Acquirer (i.e. Yashvardhan Jatia Trust) in the matter of Pudumjee Pulp and Paper Mills Limited. The Panel also noted that all the above mentioned four companies are being managed by the same Promoter Group and all the Promoters belong to the Jatia Group/family and the Acquirer is same in all the cases. In view of the above, the Panel recommended grant of exemption.”*

In the aforesaid Takeover Panel’s meeting, the recommendation relating to the submission of *compliance status certified from an Independent Auditor* as recommended in its meeting held on October 20, 2016 (paragraph 2.1), was again deliberated pursuant to which, the Takeover Panel made the following observations –

*“The issue of whether the Independent Auditor certified status of compliance with the exemption order should be filed with SEBI or stock exchange was also deliberated by the Panel. The compliance certificate should be filed with the stock exchanges with a copy endorsed to SEBI for its records.”*

#### **Consideration of the Application and Findings –**

3.1 I have considered the Application alongwith further correspondences/submissions/clarifications submitted by the Proposed Acquirers; the recommendations of the Takeover Panel and other material available on record.

3.2.1 From the preceding paragraphs, it is noted that –

- A. The Application submitted is in respect of the proposed acquisition and control of the shareholding and voting rights in the Target Company i.e. **Thacker and Company Limited**.



- B. The aforesaid acquisition is proposed to be made by the Yashvardhan Jatia Trust i.e. the **Proposed Acquirer**, in the following manner –

	Name	Pre – Acquisition		Post – Acquisition	
		Shares	%	Shares	%
<b>A.</b>	<b>Promoter Group</b>				
1.	Arun Kumar Mahabir Prasad Jatia Jointly With Basant Kumar Khaitan (Executor of will of Mahabir Prasad Jatia)	78510	9.97	0	0
2.	Arun Kumar Mahabir Prasad Jatia (Executor of will of Poonam Jatia)	39000	4.95	0	0
3.	Yashvardhan Jatia*	1000	0.13	100	0.02
4.	Yashvardhan Jatia Trust	0	0	1,18,410	15.03
<b>B.</b>	<b>Total</b>	<b>1,18,510</b>	<b>15.03</b>	<b>1,18,510</b>	<b>15.03</b>

*\*Of the 1000 shares of the Target Company held by Master Yashvardhan Jatia, 900 shares are proposed to be transferred to Yashvardhan Jatia Trust. The remaining 100 shares will be retained by Yashvardhan Jatia.*

- i. The Proposed Acquirer i.e. Yashvardhan Jatia Trust, is a private Trust.
  - ii. Since Shri Arun Kumar Jatia (Settlor), Master Yashvardhan Jatia (Sole beneficiary of the Yashvardhan Jatia Trust) and all the Trustees of the Yashvardhan Jatia Trust with the exception of Shri Gautam N. Jajodia (maternal uncle of Master Yashvardhan Jatia and is a member of the family of the Promoters) are Promoters or belong to the Promoter Group of the Target Company, the Trust is a **PAC** within the meaning of Regulation 2(q) of the Takeover Regulations.
  - iii. Yashvardhan Jatia Trust is a part of the Promoter/Promoter Group of the Target Company.
  - iv. Shri Mahabir Prasad Jatia has bequeathed 78,510 (9.97%) shares of the Target Company to his grandson i.e. Master Yashvardhan Jatia, who is also legal owner of the shares.
  - v. Further, Smt. Poonam Jatia has bequeathed 39,000 (4.95%) shares of the Target Company to her son, Master Yashvardhan Jatia.
  - vi. The shares bequeathed to Master Yashvardhan Jatia are currently being held by Executors of the respective Wills.
  - vii. Of the 1000 (0.13%) shares of the Target Company held by Master Yashvardhan Jatia, 900 (0.11%) shares are proposed to be transferred to the Proposed Acquirer.
  - viii. The proposal is for transfer of the aforementioned 1,18,410 (15.03%) equity shares held by the aforementioned current Promoters (Arunkumar Mahabir Prasad Jatia, Arunkumar Mahabir Prasad Jatia jointly with Basant Kumar Khaitan, Master Yashvardhan Jatia) to Yashvardhan Jatia Trust.
- C. The proposed acquisition transaction is pursuant to a private family arrangement for internal re-alignment of holdings within the Promoter Group family, wherein the shares of the minor beneficiary will be held by Yashvardhan Jatia Trust – Proposed Acquirer and will not affect the interest of the public shareholders.

- D. There will be no change in control of the Target Company pursuant to the proposed acquisition.
- E. There is no new acquisition of shares by the Promoters Group and the pre-acquisition and post-acquisition shareholding of the Promoter Group in the Target Company will remain the same at 75%.
- F. There will also be no change in the public shareholding of the Target Company.
- G. The Target Company shall continue to be in compliance with the minimum public shareholding requirements under the Securities Contracts Regulation Rules, 1957 (“SCRR”) and the Listing Agreement.
- H. Vide letter dated December 22, 2016, the Proposed Acquirer forwarded a duly notarized copy of Supplemental Indenture dated December 21, 2016, to the Trust Deed dated August 22, 2014, containing the following covenants –

3. *“As regards the listed securities to be transferred by natural guardian of Beneficiary and by the respective executors of last wills and testaments of late Mr. Mahabir Prasad Jatia and late Mrs. Poonam Arunkumar Jatia and held by the Trust, the Trustees hereby covenant as under:*

- a. *Any change in the trustees/beneficiaries and any change in ownership or control of share or voting rights held by the Trust shall be disclosed to the concerned stock exchanges.*
- b. *The provision 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.*
- c. *The trust deed does not contain any limitation of liability of the trustees/beneficiaries in relation to the provision of the SEBI Act and all regulations framed thereunder.*
- d. *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 transfer to the Trust.*

4. *In order to enable the Trustees to exercise voting rights in respect of the securities held/to be held by the Trust, the Trustees agree and confirm that the following clause shall be added ...*

- b. *Voting Rights in respect of the securities acquired and held by the Trust shall be exercisable by Mr. Arun Kumar Jatia, the Trustee or in his absence, by any other*

*Trustee of the Trust or such other person, as may be decided by the Trustees by a resolution passed by the Trust in this behalf.”*

- I. From the Takeover Panel’s Recommendations, the following is reiterated –

*“In the case of **Pudumjee Industries Limited, Pudumjee Paper Industries Limited and Thacker and Co. Limited**, the Panel took note of SEBI Order dated November 28, 2016 and its recommendation made in the meeting held on March 19, 2016, for granting exemption to the Acquirer (i.e. Yashvardhan Jatia Trust) in the matter of Pudumjee Pulp and Paper Mills Limited. The Panel also noted that all the above mentioned four companies are being managed by the same Promoter Group and all the Promoters belong to the Jatia Group/family and the Acquirer is same in all the cases. In view of the above, the Panel recommended grant of exemption.”*

- 3.2.2 Considering the aforementioned, I am of the view that exemption as sought for in the Application (read with further correspondences/submissions/clarifications) be granted to the Proposed Acquirer, subject to certain conditions as ordered herein below.

**Order –**

- 4.1 I, in exercise of the powers conferred upon me under Section 19 of the Securities and Exchange Board of India Act, 1992 (“**SEBI Act**”) read with Regulation 11(5) of the Takeover Regulations, hereby grant exemption to the Proposed Acquirer, viz. **Yashvardhan Jatia Trust (represented by its Trustee – Gautam N. Jajodia)**, from complying with the requirements of Regulation 3(2) of the Takeover Regulations with respect to its proposed acquisition/exercise of voting rights in respect of the Target Company, viz. **Thacker and Company Limited**, by way of proposed transactions as mentioned in the Application.

- 4.2 The exemption so granted is subject to the following conditions:

- i. The proposed acquisition shall be in accordance with the relevant provisions of the Companies Act, 2013 and other applicable laws.
- ii. On completion of the proposed acquisition, the Acquirer shall file a report with SEBI in the manner provided in the Takeovers Regulations, within a period of 21 days from the date of such acquisition.
- iii. The statements/ averments made or facts and figures mentioned in the Application and in the subsequent correspondences/submissions/clarifications by the proposed acquirer are true and correct.

- iv. 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.
  - v. 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.
  - vi. The Proposed Acquirer shall honour their undertakings and shall also ensure compliance with the statements, disclosures and undertakings made in the Application and in their subsequent correspondences.
  - vii. The Proposed Acquirer/Trust 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.
  - viii. The Proposed Acquirer/Trust shall get the compliance status certified from an Independent Auditor annually and furnish the same to the stock exchanges with a copy endorsed to SEBI for its records.
  - ix. The Proposed Acquirer/Trust shall also ensure that the covenants in the Trust Deed are not contrary to the above conditions and undertaking provided by the transferors. In such case, the Trust Deed shall be suitably modified and expeditiously reported to SEBI.
- 4.3 The exemption granted above is limited to the requirements of making open offer under the Takeover Regulations and shall not be construed as exemption from the disclosure requirements under Chapter V of the Takeover 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.
- 4.4 The Application dated May 18, 2016 (read with further correspondence/submissions/clarifications) filed by Yashvardhan Jatia Trust (represented by its Trustee – Gautam N. Jajodia), is accordingly disposed of.

Place: Mumbai  
Date: March 10, 2017

S. RAMAN  
WHOLE TIME MEMBER  
SECURITIES AND EXCHANGE BOARD OF INDIA