WTM/SKM/CFD/13/2021-22

SECURITIES AND EXCHANGE BOARD OF INDIA

ORDER

UNDER SECTION 11(1) AND SECTION 11(2)(h) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH 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 –

TARGET COMPANY	**WEST LEISURE RESORTS LIMITED**
ACQUIRER	**ANURAG BENEFIT TRUST**

Background

1. West Leisure Resorts Limited ("***Target Company***") is a company incorporated under the Companies Act, 1956 and has its registered office at Office No. 802, Plot-213, Raheja Chembers, Free Press Journal Marg, Nariman Point, Mumbai, Maharashtra, 40021. It was incorporated on January 18, 2008. The equity shares of the *Target Company* are listed on the BSE Ltd. ("**BSE**").

2. An Application dated October 12, 2020 read with email dated December 29, 2020 and January 18, 2021 ("***Application***") seeking exemption from the applicability of regulations 3(1), 4 and 5(1) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("***Takeover Regulations, 2011***") in the matter of proposed direct acquisition of shares in the *Target Company* from Anurag Benefit Trust ("***Acquirer Trust / Proposed Acquirer***") as a result of the proposed transfer of equity shares of *Target Company* from Smt. Lalita Devi Jatia to the *Acquirer Trust* and an indirect acquisition by the *Acquirer Trust* acquiring 5,88,557 equity shares constituting 58.92% of Winmore Leasing and Holdings Ltd. ("Promoter Company")

from Smt. Lalita Devi Jatia, was received by SEBI from Mr. Banwari Lal Jatia (Managing Trustee) for the Anurag Benefit Trust.

3. Regulation 3(1), 4 and 5(1) of the *Takeover Regulations, 2011* states as under:

"***Substantial acquisition of shares or voting rights.***

3. *(1) No acquirer shall acquire shares or voting rights in a target company which taken together with shares or voting rights, if any, held by him and by persons acting in concert with him in such target company, entitle them to exercise twenty-five per cent or more of the voting rights in such target company unless the acquirer makes a public announcement of an open offer for acquiring shares of such target company in accordance with these regulations.*

Acquisition of control.

4. *Irrespective of acquisition or holding of shares or voting rights in a target company, no acquirer shall acquire, directly or indirectly, control over such target company unless the acquirer makes a public announcement of an open offer for acquiring shares of such target company in accordance with these regulations.*

Indirect acquisition of shares or control.

5. (1) *For the purposes of regulation 3 and regulation 4, acquisition of shares or voting rights in, or control over, any company or other entity, that would enable any person and persons acting in concert with him to exercise or direct the exercise of such percentage of voting rights in, or control over, a target company, the acquisition of which would otherwise attract the obligation to make a public announcement of an open offer for acquiring shares under these regulations shall be considered as an indirect acquisition of shares or voting rights in, or control over the target company."*

4. In the aforementioned *Application*, the following was, *inter alia,* stated:

(a) *Target Company* was incorporated on January 18, 2008, under the Companies Act, 1956. The registered office of the *Target Company* is at Office No. 802, Plot-213,

Raheja Chembers, Free Press Journal Marg, Nariman Point, Mumbai, Maharashtra, 40021. The equity shares of the *Target Company* are listed on BSE Ltd. ("**BSE**"). The Company is a Core Investment Company (CIC) exempt from registration with the Reserve Bank of India under the Core Investment Companies (Reserve Bank of India) Directions, 2016. The main business activities of the *Target Company* are Leasing and Investments.

(b) Details of Board of Directors are as follows:

Sr. No.	**Name of the Director**	**Designation**
1	Mr. Om Prakash Adukia	Executive Director
2	Mr. Manekchand Panda	Independent Director
3	Mr. Vimal Chand Kothari	Independent Director
4	Smt. Seema Arora Nambiar	Non-Executive Director
5	Mr. Amit Sushil Moona	Non-Executive Director

(c) The Settlor, Trustees and beneficiaries of the aforementioned *Acquirer Trust* are as under:

Settlors	**Trustees**	**Beneficiaries**	**Relationship**
Lalita Devi Jatia (Member of Promoter Group)	Banwari Lal Jatia (Promoter) Usha Devi Jatia (Wife of the Promoter) Mr. Amit Jatia (Son of the Promoter) Mr. Achal Jatia (Son of the Promoter)	Banwari Lal Jatia (Promoter) Usha Devi Jatia (Wife of the Promoter) Mr. Anurag Jatia (Son of the Promoter)	The Trustees and beneficiaries are immediate relatives /lineal descendants of the Promoter /Settlor.

(d) The details of the proposed acquisition are as follows:

i. Smt. Lalita Devi Jatia, part of the promoter/promoter group of the *Target Company* holds 21,69,098 (71.04%) equity shares of the *Target Company*.

ii. The *Acquirer Trust* proposes to acquire entire 21,69,098 (71.04%) equity shares of the *Target Company* from Smt. Lalita Devi Jatia. The proposed transaction would trigger regulation 3(1) and regulation 4 of *Takeover Regulations, 2011*.

iii. In addition to the aforementioned direct acquisition, the *Acquirer Trust* also proposes to acquire shares in Winmore Leasing and Holdings, member of the promoter group (which is owned and controlled by Promoter and/or immediate relatives of the Promoter) resulting in an indirect acquisition of shares/control in the *Target Company*, the details of which is as under:

Name of the Existing Shareholder	Shareholding	
	No. of Shares	% shareholding
Smt. Lalita Devi Jatia	5,88,557	58.92%

iv. The aforesaid acquisition will result in an indirect acquisition of shares/control of the *Target Company* by the *Acquirer Trust* attracting regulation 5(1) of *Takeover Regulations, 2011* as under:

Name of the Promoter Company	% of shares of such promoter company being acquired by the *Acquirer Trust*	% of shares held by the promoter company in the *Target Company*
Winmore Leasing and Holdings Limited	58.92	0.04

v. The proposed direct/indirect acquisition of equity shares of the *Target Company* will be made by way of Gift and/or purchase. The equity shares acquired through purchase will be acquired at fair market value.

vi. However, the proposed acquisition would not result into change of control of the *Target Company*. The trustees of the *Acquirer Trust* through whom control would be exercised over the assets of the Trusts, belong to the Promoter Group of the *Target Company* and/or are immediate relatives/lineal descendants of the Promoter of the *Target Company*.

vii. The shareholding pattern of *Target Company* (pre and post the proposed Acquisition) will be as follows:

Shareholders' category	**Before the proposed acquisition**		**After the proposed acquisition**	
	Number of equity shares/ total voting rights held	**% of equity shares/ total voting capital held**	**Number of equity shares/ total voting rights held**	**% of equity shares/ total voting capital held**
Promoter and Promoter Group				
Smt. Lalita Devi Jatia	21,69,098	71.04%	NIL	NIL
Acacia Impex Private Ltd.	5	0.00%	5	0.00%
Houghton Hardcastle (India) Pvt. Ltd	5	0.00%	5	0.00%
Vishwas Investment & Trading Co. Pvt. Ltd	5	0.00%	5	0.00%

Anand Veena Twisters Pvt. Ltd	5	0.00%	5	0.00%
Winmore Leasing & Holdings Ltd.	1,110	0.04%	1,110	0.04%
Acquirer Trust	**NIL**	**NIL**	**21,69,098**	**71.04%**
Total- Promoter and Promoter Group	**21,70,228**	**71.08%**	**21,70,228**	**71.08%**
Public				
Total- Public	**8,83,109**	**28.92%**	**8,83,109**	**28.92%**
Grand Total	**30,53,337**	**100%**	**30,53,337**	**100%**

Grounds for seeking exemption

5. The following grounds have been cited while seeking the exemption:

   (a) The overall Promoter/Promoter group shareholding in the *Target Company* as on the date of the *Application* is 71.08% and post the proposed acquisition, the shareholding of the Promoter/Promoter Group would remain the same at 71.08%.

   (b) The trustees and beneficiaries of the *Acquirer Trust* belong to the Promoter Group of the *Target Company* and/or are immediate relatives/lineal descendants of the Promoter of the *Target Company* and hence the *Acquirer Trust*, post-acquisition would become PACs within the meaning of regulation 2(1)(q)(2)(iv) of the *Takeover Regulations, 2011* of the *Target Company*.

   (c) The proposed acquisition would not result in change in control and management of the *Target Company*. The trustees of the *Acquirer Trust* through whom control would be exercised over the assets of the Trusts, belong to the Promoter Group of the *Target Company* and/or are immediate relatives/lineal descendants of the Promoter of the *Target Company*.

(d) Only individual promoter or his immediate relatives or lineal descendants are trustees and beneficiaries of *Acquirer Trust*.

(e) The *Acquirer Trust* is a private family trust. The trustees and the ultimate beneficiaries are individual from the promoter family. The structure in no way results in lack of transparency and does not in any way impact the interest of investors.

6. The *Acquirer Trust*, vide the *Application* read with subsequent submissions, have confirmed compliance with the following Guidelines outlined in the Schedule to the SEBI Circular dated December 22, 2017:

(a) The *Acquirer Trust* is in substance, only a mirror image of the promoter's holdings and consequently, there is no change of ownership or control of the shares or voting rights in the *Target Company*.

(b) Only individual promoters or their immediate relatives or lineal descendants are Trustees and beneficiaries.

(c) The beneficial interest of the beneficiaries of the *Acquirer Trust* has not been and shall not in the future, be transferred, assigned or encumbered in any manner including by way of pledge / mortgage.

(d) In case of dissolution of the *Acquirer Trust*, the assets will be distributed only to the beneficiaries of the *Acquirer Trust* or to their legal heirs.

(e) The Trustees will not be entitled to transfer or delegate any of their powers to any person other than one or more of themselves.

(f) Any change in the trustees / beneficiaries and any change in ownership or control of shares or voting rights held by the *Acquirer Trust* shall be disclosed within 2 days to the concerned stock exchanges with a copy endorsed to SEBI for its record.

(g) As far as the provisions of the SEBI Act, 1992 and the regulations framed thereunder are concerned, the ownership or control of shares or voting rights will be treated as vesting not only with the Trustees but also indirectly with the beneficiaries.

(h) The liabilities and obligations of individual transferor under the SEBI Act, 1992 and the regulations framed thereunder will not change or get diluted due to transfer to the *Acquirer Trust*.

(i) The *Acquirer 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.

(j) The *Acquirer Trust* shall get its compliance status certified from an independent auditor annually and furnish the certificate to the Stock Exchanges for public disclosure with a copy endorsed to SEBI for its records.

(k) The proposed acquisition is in accordance with the provisions of the Companies Act, 2013 and other applicable laws.

(l) The transferor is disclosed as promoter in the shareholding pattern filed with the Stock Exchanges for a period of at least 3 years prior to the proposed acquisition.

(m) There is no layering in terms of trustees / beneficiaries in case of the *Acquirer Trust*.

(n) The Trust Deed does not contain any limitation of liability of the trustees / beneficiaries in relation to the provisions of the SEBI Act, 1992 and all regulations framed thereunder.

Consideration

7. I have considered the *Application* submitted by the *Acquirer Trust* and other material available on record. Without reiterating the facts as stated above, the following is noted:

(a) The *Application* submitted is in respect of the proposed direct/indirect acquisition of shares and voting rights in the *Target Company* i.e. **West Leisure Resorts Limited**. The proposed acquisition as detailed above, which is to be made by the *Acquirer Trust*, will attract the provisions of regulations 3(1), 4 and 5(1) of the *Takeover Regulations, 2011*.

(b) Pursuant to the proposed acquisitions, the *Acquirer Trust* would hold the same number of shares in the *Target Company* as currently being held by the transferor, Smt. Lalita Devi Jatia, who is part of the promoters and promoter group of the *Target Company*.

(c) There will be no change in control of the *Target Company* pursuant to the proposed acquisition, as stipulated under the SEBI Circular dated December 22, 2017.

(d) The pre–acquisition and post–acquisition shareholding of the promoters and promoter group in the *Target Company* will remain the same.

(e) There will also be no change in the public shareholding of the *Target Company*.

(f) The *Target Company* shall continue to be in compliance with the Minimum Public Shareholding requirements under the Securities Contracts Regulation Rules, 1957 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(g) The *Acquirer Trust* has confirmed that it is in compliance with the Guidelines outlined in the Schedule to the SEBI Circular dated December 22, 2017 (as reproduced at paragraph 6 above).

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

Order

9. I, in exercise of the powers conferred upon me under Section 19 read with Section 11(1) and Section 11(2)(h) of the SEBI Act, 1992 and regulation 11(5) of the *Takeover Regulations, 2011*, hereby grant exemption to the *Proposed Acquirer*, viz. **Anurag Benefit Trust** from complying with the requirements of regulations 3(1), 4 and 5(1) of the *Takeover Regulations, 2011* with respect to the proposed direct acquisition in the Target Company, viz. **West Leisure Resorts Limited**, by way of proposed transaction as mentioned in the *Application*.

10. 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) On completion of the proposed acquisition, the *Proposed Acquirer* shall file a report with SEBI within a period of 21 days from the date of such acquisition, as provided in the *Takeover Regulations, 2011*.

(c) The statements / averments made or facts and figures mentioned in the *Application* and other submissions by the *Proposed Acquirer* are true and correct.

(d) The *Proposed Acquirer* shall ensure compliance with the statements, disclosures and undertakings made in the *Application*. The *Proposed Acquirer* shall also ensure compliance with the provisions of the SEBI Circular dated December 22, 2017.

(e) The *Proposed Acquirer* shall also ensure that the covenants in the Trust Deed are not contrary to the above conditions and undertaking provided by the transferor. In such case, the Trust Deed shall be suitably modified and expeditiously reported to SEBI.

11. The exemption granted above is limited to the requirements of making open offer under the *Takeover Regulations, 2011* and shall not be construed as exemption from the disclosure requirements under Chapter V of the aforesaid 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.

12. The *Application* dated October 12, 2020 read with other submissions, filed by Anurag Benefit Trust, are accordingly disposed of.

-Sd-

Place: Mumbai
Date: April 19, 2021

S.K. MOHANTY
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA