WTM/SM/CFD/ 50/2021-22

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	**RENAISSANCE GLOBAL LTD.**
ACQUIRER	**ANIVED FAMILY TRUST**

Background

1. Renaissance Global Limited (for convenience "***Target Company***") is a company incorporated under the Companies Act, 1956 and has its registered office at Plot No. 36A &37, SEEPZ, MIDC Marol, Andheri (E), Mumbai -400 096. It was incorporated on December 04, 1989. The equity shares of the *Target Company* are listed on the BSE Ltd. ("**BSE**") and National Stock Exchange of India Ltd. ("**NSE**").

2. An Application dated June 28, 2021 (for convenience "***Application***") read with addendum to the application dated August 25, 2021 (for convenience "***Addendum to Application***") seeking exemption from the applicability of regulation 3(2) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (for convenience "***Takeover Regulations, 2011***") in the matter of proposed direct acquisition of shares in the *Target Company* by Anived Family Trust ("***Acquirer Trust / Proposed Acquirer / Applicant***") as a result of the proposed transfer of equity shares of *Target Company* from Mr. Sumit Niranjan Shah to the *Acquirer Trust*.

3. Regulation 3(2) of the *Takeover Regulations, 2011* states as under:

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

3. *(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.*

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

(a) The *Target Company* is primarily engaged in manufacturing of studded precious metal Jewellery.

(b) Details of Board of Directors of the *Target Company* are as follows:

Sr. No.	**Name of the Director**	**Designation**
1	Niranjan A. Shah	Promoter Director
2	Sumit N. Shah	Promoter Director
3	Hitesh M. Shah	Promoter Director
4	Neville R. Tata	Executive Director
5	Veerkumar C. Shah	Independent Director
6	Vishwas V. Mehendale	Independent Director
7	Arun P. Sathe	Independent Director
8	Madhavi S. Pethe	Independent Director

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

Settlors	**Initial Trustees**	**Primary Beneficiaries**	**Secondary Beneficiaries**	**Relationship**
Mr. Sumit Niranjan Shah	1) Mr. Sumit Niranjan Shah	1) Mrs. Leshna Sumit Shah	Lineal Descendants of Ms. Anika	The Trustees and beneficiaries are

(promoter/ promoter group)	2) Mr. Niranjan Amritlal Shah (member of promoter and promoter group)	2) Ms. Anika Sumit Shah 3) Mr. Vedant Sumit Shah	Sumit Shah and Mr. Vedant Sumit Shah	immediate relatives /lineal descendants of the Promoter /Settlor.

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

i. The proposed acquisition involves transfer of equity shares of the *Target Company* from Mr. Sumit Shah to the *Acquirer Trust* as under:

Sr. No.	**Acquirer Trust**	**No. of equity shares being acquired**	**% of total paid up capital**
1	Anived Family Trust	4,128,037	21.87

ii. The proposed acquisition would take place pursuant to a private family arrangement intended to streamline succession and welfare of the Sumit Shah family and would be a non-commercial transaction which would not affect or prejudice the interests of the public shareholders of the *Target Company* in any manner.

iii. The proposed gift (without any consideration) of 21.87% of shares held by Mr. Sumit Shah (promoter) in the *Target Company* to the *Acquirer Trust* is only an internal reorganization within the Sumit Shah Family, for the benefit of his family (in which the above mentioned promoter is also a trustee).

iv. The proposed gift of shares of the *Target Company* to the *Acquirer Trust* would not result in any change in shareholding of the promoter group in the *Target Company* nor would result in any change in the control or management of the *Target Company*. The total promoter group holding

would remain 70.78%. There would not be any additional acquisition by the promoter group as a whole.

v. 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				
Niranjan Amritlal Shah	6,41,409	3.40	6,41,409	3.40
Hitesh Mahendra Shah	13,35,958	7.08	13,35,958	7.08
Amit Chandrakant Shah	0	0.00	0	0.00
Bhupen Chandrakant Shah	6,67,979	3.54	6,67,979	3.54
Pinky Dhiren Shah	10,68,766	5.66	10,68,766	5.66
Reena Kanayo Ahuja	2,68,000	1.42	2,68,000	1.42
Kalpana N. Shah	0	0.00	0	0.00
Niranjan Family Private Trust	25,80,112	13.67	25,80,112	13.67
Kothari Descendents Private Trust	26,71,916	14.15	26,71,916	14.15
Hitesh M Shah Family Trust	0	0.00	0	0.00
Sumit Niranjan Shah	**41,28,037**	**21.87**	**0**	**0.00**

Acquirer Trust				
Acquirer Trust	**NIL**	**NIL**	**41,28,037**	**21.87**
Total- Promoter and Promoter Group	**1,33,62,177**	**70.78**	**1,33,62,177**	**70.78**
Public				
Total- Public	**53,20,887**	**28.18**	**53,20,887**	**28.18**
Non Promoter-Non Public	1,96,376	1.04	1,96,376	1.04
Grand Total	**1,88,79,440**	**100%**	**1,88,79,440**	**100%**

vi. The *Acquirer Trust* do not hold any equity shares in the *Target Company* but are part of the promoter/promoter group of the *Target Company*.

vii. The *Acquirer Trust*, in the present case, along with persons acting in concert holds shares in the *Target Company* entitling them to exercise an aggregate of 70.78% voting rights in the *Target Company*.

viii. The aggregate shareholding of the *Acquirer Trust* along with persons acting in concert before and after the proposed acquisition shall remain the same.

ix. However, individually *Acquirer Trust* shall acquire 21.87% voting rights in the *Target Company* which exceeds the threshold of 5% specified in regulation 3(2) of the *Takeover Regulations, 2011*.

Grounds for seeking exemption

5. The following grounds have been cited while seeking the exemption from the *Takeover Regulations, 2011*:

(a) ***Members of Sumit Shah Family***

i. *The proposed acquisition is intended to streamline succession and welfare of the members of Shah family, being members of the promoter group of the Target Company.*

ii. *The proposed acquisitions of equity shares of Target Co is not by any third party but by the trust which is a family trust administered by the family members of Mr. Sumit Shah.*

iii. *The Settlor, Trustee and Beneficiaries of Acquirer Trust are all relatives and/or part of the 'Promoter and Promoter Group' of the Company and shall always be them and their lineal descendants and legal heirs.*

iv. *The beneficiaries of the Acquirer Trust are not entitled to transfer their beneficial ownership interest in Trust's property to any person outside their family.*

v. *Upon demise of all beneficiaries, the beneficial interest in the trust property will vest in the legal heirs of last surviving beneficiary of the Trust.*

(b) ***No Change in Ownership***

vi. *The proposed transfer will not alter the board of directors of the Target Company.*

vii. *Further, the proposed transfer will not result in any increase/ decrease in the holding of the transferors/ contributors in Target Co as the transferors/ contributors will now continue to hold the same equity shares through the Acquirer Trusts pursuant to the private family arrangement between the transferors/ contributors.*

(c) ***No Change in control***

viii. *The proposed acquisition by the acquirer is only an internal reorganization of the shareholding of Target Co within the family of the transferors/ contributors for the purpose of a private family arrangement for the benefit of the members of Shah Family.*

ix. There will be no change of control of Renaissance Global Limited even after the completion of the transaction as provided above. The members of Shah Family will continue to exercise control over Target Co through Anived Family Trust.

6. The *Acquirer Trust*, vide the *Application* read with ***Addendum to Application*** and subsequent submissions, has 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 of the *Acquirer Trust*.

(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 of the *Acquirer Trust* 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* and *Addendum to 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 acquisition of shares and voting rights in the *Target Company* i.e. **Renaissance Global Limited**. The proposed acquisition as detailed above, which is to be made by the *Acquirer Trust*, will attract the provisions of regulations 3(2) 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, Mr. Sumit Shah, 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. **Anived Family Trust** from complying with the requirements of regulation 3(2) of the *Takeover Regulations, 2011* with respect to the proposed direct acquisition in the *Target Company*, viz. **Renaissance Global Limited**, by way of proposed transaction as mentioned in the *Application.*

10. 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 *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*.

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

iv. 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.

v. 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 June 28, 2021 read with other submissions, filed by *Applicant*, are accordingly disposed of.

-Sd-

Place: Mumbai
Date: November 17, 2021

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