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	**Supreme Holdings & Hospitality (India) Limited.**
ACQUIRERS	**1. Falcon Trust** **2. Trinity Trust**

Background

1. **Supreme Holdings & Hospitality (India) Limited** (for convenience "***Target Company***") is a company incorporated on April 15, 1982 having its registered office address at Office No. 510 to 513, 5th Floor, Platinum Square, Shri Satpal Malhotra Marg, Nagar Road Pune – 411014 and the equity shares of the *Target Company* are listed on BSE Limited ("**BSE**").

2. An Application dated July 29, 2021 (for convenience "***Application***") seeking exemption from the applicability of *inter alia* regulation 3(1) read with regulation 4 of the Securities and Exchange Board of India (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*, was received by SEBI from Ms. Namita Jatia on behalf of Falcon Trust and Trinity Trust (for convenience "***Acquirer Trusts"/" Applicants / Proposed Acquirers***").

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

Substantial acquisition of shares or voting rights.

Regulation. 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.

Regulation 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."*

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

(a) The shareholding of the *Target Company* as on the date of *Application*, is as under:

Sr. no.	**Name**	**No. of shares**	**%**
A.	**PROMOTER/ PROMOTER GROUP**		
1.	Nitta Jatiya	100	0.00
2.	Atishay Jatia	2,943	0.01
3.	Smita Jatia	10,563	0.03
4.	Ankita Jatia	12,500	0.04
5.	Prateek Jatia	4,22,700	1.19
6.	Vinod Jatiya	32,12,200	9.05
7.	Vinod Kumar Jatia HUF	40,03,600	11.29
8.	Namita Jatia	69,56,635	19.61
9.	Vidip Jatia	75,85,350	21.38
10.	Yardley Investments & Trading Co. Pvt Ltd	2,53,496	0.71
11.	Grandeour Hotels Pvt Ltd	0	0
TOTAL PROMOTER SHAREHOLDING		**2,24,60,087**	**63.31**
B.	PUBLIC SHAREHOLDING	1,30,16,766	36.69
TOTAL		**3,54,76,853**	**100.00**

(b) Detail of proposed acquisition by *Acquirer Trusts*:

i. Mrs. Namita Jatia and Mr. Vidip Jatia are a part of the promoter since the 2016 and 1995 respectively. The Proposed Acquisition involves transfer of equity shares of the *Target Company* from Mrs. Namita Jatia to the Falcon Trust and Mr. Vidip Jatia to Trinity Trust as provided below:

Sr. No.	Name of promoter	Acquirer	No. of equity shares being acquired	% of total paid-up capital
1	Mrs. Namita Jatia	Falcon Trust	69,56,635	19.61
2	Mr. Vidip Jatia	Trinity Trust	75,85,350	21.38
Total			1,45,41,985	40.99

ii. The Proposed Acquisition by the *Acquirer Trusts* will be effected by way of contribution / settlement which would be an off-market transaction and would be without any monetary consideration.

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

Acquirer Trust – 1 (Falcon Trust)

Settlor	Trustees	Beneficiaries	Relationship
Mrs. Namita Jatia	Mrs. Nitta Jatiya Mrs. Namita Jatia	Lineal descendants of Mrs. Namita Jatia	Trustee and beneficiaries are immediate relatives and part of promoter group of *Target Company*.

Acquirer Trust – 2 (Trinity Trust)

Settlor	Trustees	Beneficiaries	Relationship
Mr. Vidip Jatia	Mrs. Nitta Jatiya Mrs. Namita Jatia	• Mrs. Namita Jatia • Mrs. Sanjana Jatia (Spouse of Mr. Vidip Jatia) • First child of Mr. Vidip Jatia • Second child of Mr. Vidip Jatia • lineal descendants of Mr. Vidip Jatia other than already provided above.	Trustee and beneficiaries are immediate relatives and part of promoter group of *Target Company*.

(d) The prior and post shareholding subsequent to the Proposed Acquisition by *Acquirer Trusts* will be as under:

Shareholders' category	**Pre-Acquisition holding**		**Post-Acquisition holding**	
	No. of shares	**% of share holding**	**No. of shares**	% of share holding
Promoter and Promoter Group other than *Acquirer Trusts*				
Nitta Jatiya	100	0.00	100	0.00
Atishay Jatia	2,943	0.01	2,943	0.01
Smita Jatia	10,563	0.03	10,563	0.03
Ankita Jatia	12,500	0.04	12,500	0.04
Prateek Jatia	4,22,700	1.19	4,22,700	1.19
Vinod Jatia	32,12,200	9.05	32,12,200	9.0
Vinod Kumar Jatia HUF	40,03,600	11.29	40,03,600	11.29
Namita Jatia	69,56,635	19.61	0	0
Vidip Jatia	75,85,350	21.38	0	0
Yardley Investments & Trading Co. Pvt Ltd	2,53,496	0.71	2,53,496	0.71
Grandeour Hotels Pvt Ltd	0	0	0	0
Nitta Jatiya	100	0.00	100	0.00
Acquirer Trusts				
Falcon Trust	0	0	69,56,635	19.61
Trinity Trust	0	0	75,85,350	21.38
Total Promoter and Promoter Group	**2,24,60,087**	**63.31**	**2,24,60,087**	**63.31**
Public Shareholding	1,30,16,766	36.69	1,30,16,766	36.69
Total	**3,54,76,853**	**100%**	**3,54,76,853**	**100%**

Grounds for seeking exemption

5. The *Acquirer Trusts* have sought exemption vide *Application* on the following grounds:

(a) Consolidate Control and achieve Succession Planning objectives – The Proposed Acquisition will take place pursuant to a private family arrangement which is intended to streamline the Jatia Family's shareholding in the *Target Company* with a view to consolidate control and achieve succession planning objectives.

(b) Non prejudicial to the interest of public shareholders – The Proposed Acquisition is a non-commercial transaction which will not prejudice the interests of the public shareholders of the *Target Company* in any manner.

(c) No change in the control and management of the *Target Company* - The Proposed Acquisition by the *Acquirer Trusts* is only an internal reorganization within the Jatia family. The Transferors i.e. Mrs. Namita Jatia, Mr. Vidip Jatia and/or the persons acting in concert with the Transferor are directly in control of the *Acquirer Trusts* and hence, there will be no change in control of the *Target Company* after the Proposed Acquisition. Further, there will be no change in the management of the *Target Company* pursuant to the Proposed Acquisition.

(d) Proposed Acquisition is not by a third party - Pursuant to the Proposed Acquisition, no outsider / third party will acquire shares in the *Target Company* as the acquisition takes place between the members of the Jatia Family who are part of the promoter / promoter group of the *Target Company* and the *Acquirer Trusts*, having such promoters/ promoter group and their immediate relatives as Trustees and the Beneficiaries.

(e) No fresh acquisition of shares – As per the proposed Acquisition, Mrs. Namita Jatia and Mr. Vidip Jatia will transfer 40.99% equity share capital of the *Target Company's* to the *Acquirer Trusts*, wherein the persons forming part of the promoter / promoter group of the *Target Company* and their immediate relatives are the Trustees and Beneficiaries. There is no fresh acquisition of shares by the promoter group and the pre-acquisition and post-acquisition shareholding of the promoters and promoter group in the Target Company will remain the same i.e. 63.31%;

(f) No change in the public shareholding - There will also be no change in the public shareholding of the *Target Company* pursuant to the Proposed Acquisition. Further, the *Target Company* shall continue to be in compliance with the minimum

public shareholding requirements under the Securities Contracts Regulation Rules, 1957 (SCRR, 1957) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (*SEBI LODR, Regulations 2015*).

(g) Proposed Acquisition imparts comfort and stability to public shareholders - Given the objectives for the settlement of the *Acquirer Trusts*, it would in fact incentivize the persons in control and management of the *Target Company* to continue to remain vested with the control of the *Target Company* for a longer period of time, and the public shareholders of the *Target Company* are likely to benefit pursuant to the acquisition of shares by the *Acquirer Trusts*. It is submitted that a trust by its very nature is difficult to unwind, and it is submitted that the Trust provides for unified structure for the assets of the family, thereby making transfer of shares of the *Target Company* even more difficult than it currently is, and this will also prevent any erosion of Promoter shareholding in the *Target Company*.

6. The *Acquirer Trusts* vide the *Application* and further submissions (email dated September 09, 2021) have confirmed compliance with the following guidelines outlined in the Schedule to the SEBI Circular dated December 22, 2017:

(a) The *Acquirer Trusts* are in substance, only a mirror image of the Promoters' 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 Trusts*.

(c) The beneficial interest of the beneficiaries of the *Acquirer Trusts* have not been and will 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 Trusts*, the assets will be distributed only to the beneficiaries of the trusts 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 *Acquirer Trusts* 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 Securities and Exchange Board of India Act, 1992 (for convenience "*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 transferors under the *SEBI Act, 1992* and the regulations framed thereunder will not change or get diluted due to transfers to the *Acquirer Trusts*.

(i) The *Acquirer Trusts* 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 LODR, Regulations, 2015*.

(j) The *Acquirer Trusts* shall get their 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 transferors are disclosed as promoters in the shareholding pattern filed with the Stock Exchanges for a period of at least 3 years prior to transfer (except for holding on account of inheritance).

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

(n) The Trust Deed of the *Acquirer Trusts* 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 Trusts* 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 and indirect acquisition of shares and voting rights in the *Target Company* i.e. **Supreme Holdings & Hospitality (India) Limited.** The proposed acquisition as detailed at paragraph 4 (b) above, will attract the provisions of regulation 3(1) read with regulation 4 of the *Takeover Regulations, 2011* as per the *Application* made on behalf of the proposed *Acquirer Trusts.*

(b) Pursuant to the proposed acquisitions, the *Acquirer Trusts* would hold 1,45,41.985 (40.99%) equity shares in the *Target Company* and along with promoters they would exercise control over 63.31% of *Target Company*.

(c) The objective of the proposed acquisitions is to consolidate control and achieve succession planning in the *Target Company*.

(d) 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.

(e) The pre–acquisition and post–acquisition shareholding of the Promoters in the *Target Company* will remain the same.

(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 *SCRR 1957* and the *SEBI LODR Regulations, 2015*.

(h) The *Acquirer Trusts* have also confirmed that they are in compliance with the Guidelines outlined in the Schedule to the SEBI Circular dated December 22, 2017 (as reproduced at paragraph 6 of this Order).

(i) 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 *Acquirer Trusts*, subject to certain conditions as ordered herein below.

Order

8. 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 Acquirers*, viz. **Falcon Trust and Trinity Trust** from complying with the requirements of regulation 3 (1) read with regulation 4 of the *Takeover Regulations, 2011* with respect to the proposed direct acquisitions in the *Target Company* viz. **Supreme Holdings & Hospitality (India) Ltd.** by way of proposed transactions as mentioned in the *Application*.

9. 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 Trusts* 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 Acquirers* are true and correct.

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

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

10. 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.

11. The *Application* dated July 29, 2021 and related correspondences, filed by **Falcon Trust and Trinity Trust** is accordingly disposed of.

-Sd-

Place: Mumbai
Date: October 29, 2021

S. K. MOHANTY
WHOLE TIME MEMBER
SECURITIES AND EXCHANGEBOARD OF INDIA