

To

Chief General Manager,
Corporate Finance Department,
Securities and Exchange Board of India,
Plot No. C4-A, G Block,
Bandra Kurla Complex, Bandra (E),
Mumbai- 400 051.

Dear Sir/Madam,

Sub: Request for interpretative letter under the Securities and Exchange Board of India (Informal Guidance) Scheme, 2003 read with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011.

We submit this letter seeking your informal guidance in the form of an interpretative letter under the provisions of the Securities and Exchange Board of India (Informal Guidance) Scheme, 2003 ("the Scheme") in connection with the compliance of the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 ("the Takeover Regulations")

General Background:

We (K.J. Joseph and Thomas John) are the promoters of Thejo Engineering Limited, based out of Chennai.

Thejo Engineering Limited ("Thejo"/" the Company") with CIN- L27209TN1986PLC012833, having its Registered Office at 3rd Floor, VDS House, Cathedral Road, Chennai- 600 086, is an Engineering Solutions provider for Bulk Material Handling, Mineral Processing and Corrosion Protection to the Core Sector Industries like mining, power, steel, cement, ports and fertilizers. The Company is Listed under the Emerge Platform (SME Exchange) of National Stock Exchange of India Limited ("NSE") and is in the process of migrating its shares to the Main Board of NSE.

The Company enjoys the status of being a "listed company" within the meaning given to the term under Section 2(52) of the Companies Act, 2013 as amended. Being a listed company, the Company and its relevant stakeholders are under obligation to comply, *inter alia*, with the provisions of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, SEBI (Prohibition of Insider Trading) Regulations, 2015 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

The shareholding details of the Company as on 30th June, 2023 are as below:

- The total Paid-up Capital of the Company is Rs. 10,71,48,180/- divided into 1,07,14,818 equity shares at face value of Rs. 10/- each.
- The Promoter and Promoter Group hold 58,15,320 equity shares, which is 54.27% of the total shareholding and balance is held by the public.
- Two friends- Mr. K J Joseph and Mr. Thomas John constitute the Promoters.
- Apart from the Promoters, the Promoter Group consists of ten Shareholders who are family members of the Promoters.

Background of the proposed transaction:

The Promoter and Promoter Group (excepting two promoter-group Members - who are not the spouse/lineal descendants of the Promoters) are contemplating to form a Family Trust where the shares held by them (51.75% of total shares of the Company) would be moved. Currently, it is contemplated that:

1. The beneficiaries of the family trust would be same persons as the existing promoter group shareholders who are pooling their shares into the Trust with each beneficiary's beneficial interest/share in the Trust being in the same proportion as their existing shareholding.
2. The Trust is 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.
3. Only individual promoters or their immediate relatives or lineal descendants are beneficiaries.
4. The beneficial interest of the beneficiaries of the trust has not been and will not in the future, be transferred, assigned or encumbered in any manner including by way of pledge/mortgage;
5. In case of dissolution of the Trust, the assets will be distributed only to the beneficiaries of the trust or to their legal heirs;

The proposed Family Trust intends to apply under Regulation 11(1) of the Takeover Regulations for grant of specific exemption from the obligation to make an open offer for acquiring shares.

Conditions for grant of specific exemption under Regulation 11(1) of the Takeover Regulations, for cases involving Trust as acquirer:

Chapter 8 of SEBI Master Circular no. SEBI/HO/CFD/PoD-1/P/CIR/2023/31 dated February 16, 2023 for Takeover Regulations provides for making an application under Regulation 11(1) of the Takeover Regulations for grant of exemption from the obligation to make an open offer for acquiring shares, for cases involving Trust as acquirer. Granting of exemption would be considered if the following conditions were met by the applicants, expressly in trust deed:

- i. The Trust is 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.
- ii. ***Only individual promoters or their immediate relatives or lineal descendants are Trustees and beneficiaries;***
- iii. The beneficial interest of the beneficiaries of the trust has not been and will not in the future, be transferred, assigned or encumbered in any manner including by way of pledge/mortgage;
- iv. In case of dissolution of the Trust, the assets will be distributed only to the beneficiaries of the trust or to their legal heirs;
- v. The Trustees will not be entitled to transfer or delegate any of their powers to any person other than one or more of themselves.

Guidance sought:

In the above background, we seek your informal guidance in the form of an interpretative letter under the Scheme on the following:

The individual promoters, their spouse and the lineal descendants of the promoters constitute the beneficiaries and trustees of the Trust. However, since there are two promoters, we intend to have one out of the five trustees as a neutral trustee, who shall not belong to the promoter group.

Whether the Family Trust with third party as trustee, as aforesaid, be eligible for grant of specific exemption from the obligation to make an open offer for acquiring shares, under Regulation 11(1) of the Takeover Regulations read with SEBI Master Circular no. SEBI/HO/CFD/PoD-1/P/CIR/2023/31 dated February 16, 2023?

Whether the Family Trust which does not include some members of the promoter group and restricting the Trust only to the spouse and lineal descendants of the promoters be eligible for grant of specific exemption from the obligation to make an open offer for acquiring shares, under Regulation 11(1) of the Takeover Regulations read with SEBI Master Circular no. SEBI/HO/CFD/PoD-1/P/CIR/2023/31 dated February 16, 2023?

We would appreciate any other recommendations or interpretations in this regard.

Request for confidentiality:

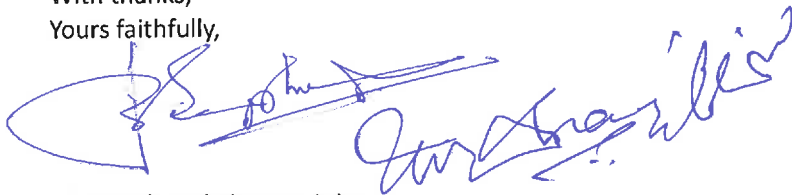
In accordance with Paragraph 11 of the Scheme, we request that this letter and its contents be kept confidential for the maximum period possible, i.e., until 90 days after the response to this letter has been issued.

Compliance with Paragraph 6 of the Scheme:

In accordance with Paragraph 6 of the Scheme, read with SEBI Master Circular SEBI/HO/CFD/PoD-1/P/CIR/2023/31 dated February 16, 2023, Informal Guidance Fee (CFD) Rs. 25,000/- (Rupees Twenty Five Thousand Only) plus GST of Rs. 4500/- totalling Rs. 29500/-, has been transferred electronically to Securities and Exchange Board of India, account number SEBIRCCFDINFMGUIDFEE held with ICICI Bank (IFSC Code: ICIC0000106) with payment reference number IPY3E0UV6568 through IMPS on 26th September, 2023.

We shall be glad to furnish additional information, if any, required in this regard. For any further requirement you may contact us through email at md.ravikanth@thejo-engg.com and through mobile at 9677044714.

With thanks,
Yours faithfully,



K J Joseph and Thomas John
11 Balaji Nagar, First Street,
Royapettah,
Chennai 600014