

KJMC FINANCIAL SERVICES LTD.

NBFC : No. B-13.01633



Confidential treatment under clause 11 of "Securities and Exchange Board of India (Informal Guidance) Scheme 2003"

General Manager

Corporate Finance Department

Securities and Exchange Board of India

Plot No. C4-A, 'G' Block, Bandra Kurla Complex,
Bandra (East), Mumbai 400051.

January 09, 2017

Dear Sir,

Ref: In lieu of our earlier letter dated December 05, 2016

Sub: Request for Informal Guidance by way of an interpretive letter under SEBI (Informal Guidance) Scheme, 2003 ("Scheme")

We submit the following for your consideration and seek your Informal Guidance by way of an interpretive letter on applicability of sub-regulation 3 of Regulation 3 of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("SEBI (SAST) Regulations") or any other applicable SEBI regulation(s).

The sub-regulation 3 of regulation 3 of SEBI (SAST) Regulations reads as under:

"For the purpose of sub-regulation (1) and sub-regulation (2) acquisition of shares by any person, such that the individual shareholding of such person acquiring shares exceeds the stipulated thresholds shall also be attracting the obligation to make an open offer for acquiring shares of target company irrespective of whether there is a change in the aggregate shareholding with persons acting in concert."

Facts:-

The equity shares of **KJMC Financial Services Limited** (hereinafter "Target Company") are listed on BSE Limited ("BSE") and the Target Company proposes to issue total of 5,00,000 Equity Shares of Face Value Rs. 10/- each, on Private Placement basis to the promoter and promoter group entities i.e. KJMC Corporate Advisors (India) Ltd., KJMC Shares and Securities Ltd. and KJMC Capital Market Services Ltd.

The shareholding pattern Pre-Issue as on 31st December, 2016 and Post Issue is given as under:

Sr. No.	Particulars	Pre-Issue		Proposed Issue	Post Issue	
		Number of Equity Shares	%	Number of Equity Shares	Number of Equity Shares	%
A	Promoters & Promoter group entities					
1.	INDER CHAND JAIN	2,13,000	4.45	-	2,13,000	4.03
2.	I C JAIN HUF	2,67,065	5.58	-	2,67,065	5.05
3.	RAJNESH JAIN	1,22,335	2.55	-	1,22,335	2.31
4.	GIRISH JAIN	1,22,335	2.56	-	1,22,335	2.31
5.	PANKAJ JAIN	1,22,335	2.56	-	1,22,335	2.31

Regd. office : - 162, 16th Floor, Atlanta, 209, Nariman Point, Mumbai - 400 021.

Tel.: +91-22-2288 5201-2, 4094 5500 ● Fax: +91-22-2285 2892 ● Email: info@kjmc.com ● Website: www.kjmc.com

CIN : L99999MH1988PLC047873

Sr. No.	Particulars	Pre-Issue		Proposed Issue	Post Issue	
		Number of Equity Shares	%	Number of Equity Shares	Number of Equity Shares	%
A	Promoters & Promoter group entities					
6.	CHANDDEVI JAIN	12,64,907	26.43	-	12,64,907	23.93
7.	KJMC CORPORATE ADVISORS (INDIA) LTD	9,50,000	19.85	1,00,000	10,50,000	19.86
8.	KJMC SHARES AND SECURITIES LTD. "KJMC SSL" (wholly Owned Subsidiary of KJMC Corporate Advisors (India) Ltd.)	2,45,000	5.12	2,00,000	4,45,000	8.42
9.	KJMC CAPITAL MARKET SERVICES LTD. "KJMC CMSL" (wholly Owned Subsidiary of KJMC Corporate Advisors (India) Ltd.)	-	-	2,00,000	2,00,000	3.78
A	Total Shareholding of the Promoter & Promoter Group	33,06,977	69.10	5,00,000	38,06,977	72.02
B	Total Public Shareholding	14,78,763	30.90	-	14,78,763	27.98
C = (A+B)	Total Paid-up equity share capital of the Target Company	47,85,740	100.00	5,00,000	52,85,740	100.00

- (1) KJMC Corporate Advisors (India) Ltd. is one of the promoter of the Target Company and currently holds 9,50,000 equity shares (19.85%) of the Target Company.
- (2) KJMC Shares And Securities Ltd (**KJMC SSL**) (wholly owned subsidiary of the KJMC Corporate Advisors (India) Ltd.) is a part of the Promoter Group entity of the Target Company and currently holds 2,45,000 equity shares (5.12%) of the Target Company.
- (3) KJMC Capital Market Services Limited (**KJMC CMSL**) (wholly owned subsidiary of the KJMC Corporate Advisors (India) Ltd.) is a part of the Promoter Group entity of the Target Company and currently holds **NIL** equity share capital of the Target Company.
- (4) To give a better understanding, the equity shareholding of the proposed subscribers in the Target Company, before and after allotment of 5,00,000 equity shares of the Target Company through the proposed Private Placement Offer is depicted as under:

Sr. No.	Name of the proposed Subscribers	Pre-Issue		Proposed Issue	Post Issue	
		Number of Equity Shares	%	Number of Equity Shares	Number of Equity Shares	%
1.	KJMC CORPORATE ADVISORS (INDIA) LIMITED	9,50,000	19.85	1,00,000	10,50,000	19.86
2.	KJMC SHARES AND SECURITIES LTD. "KJMC SSL"	2,45,000	5.12	2,00,000	4,45,000	8.42
3.	KJMC CAPITAL MARKET SERVICES LTD. "KJMC CMSL"	-	-	2,00,000	2,00,000	3.78
	TOTAL	11,95,000	24.97	5,00,000	16,95,000	32.06

- (5) Post subscription/acquisition of total of 5,00,000 equity shares of the Target Company by KJMC Corporate Advisors (India) Limited, KJMC SSL and KJMC CMSL through the proposed Private Placement offer, the total promoter and promoter group shareholding in the equity share capital of the Target Company would increase from 69.10% to 72.02% (increased by 2.92%) and the total increase in the promoter and promoter group shareholding in the financial Year 2016-2017 would be from 67.03% (as on 31st March, 2016) to 72.02% (Increased by 4.99%) of the Target Company. The aggregate shareholding of the promoter and promoter group would not exceed 5% in a financial year.

Based on the above, we seek your informal guidance as under:

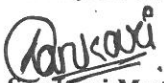
1. KJMC Corporate Advisors (India) Ltd, KJMC SSL and KJMC CMSL, currently holds in aggregate 24.97% of equity share capital of the Target Company but after the proposed acquisition of 5,00,000 equity shares in the Target Company their equity shareholding in aggregate will increase to 32.06% of resultant equity share capital of the Target Company. Whether the proposed acquisition of 5,00,000 equity shares in the Target Company will trigger the Open Offer under Sub-Regulation 3 of Regulation 3 of SEBI (SAST) Regulations?
2. Will the proposed acquisition of 5,00,000 equity shares by the KJMC Corporate Advisors (India) Ltd., KJMC SSL (wholly owned subsidiary of KJMC Corporate advisors (India) Limited) and KJMC CMSL (wholly owned subsidiary of KJMC Corporate advisors (India) Limited) of the Target Company trigger Open Offer under SEBI (SAST) Regulations?

We request you to treat this letter as a confidential pursuant to clause 11 of "Securities and Exchange Board of India (Informal Guidance) Scheme 2003" for a period of 90 days from the date of the Department's response.

If any further information or clarification is desired, we shall be pleased to furnish you the same.

Thanking You,

Yours faithfully,
For **KJMC Financial Services Limited**


Sankari Muthuraj
Company Secretary

Contact Details

Email : sankari.muthuraj@kjmc.com

Phone: 022-40945500 Ext: 105