



भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

Deputy General Manager
Corporation Finance Department
Division of Corporate Restructuring- I

SEBI/HO/CFD/DCR1/OW/P/2017/3795/1
February 17, 2017

Ms. Sankari Muthuraj
Company Secretary
M/s. KJMC Financial Services Ltd.
162, 16th Floor, Atlanta,
209, Nariman Point,
Mumbai - 400021

Madam,

Request for informal guidance by way of "Interpretive Letter" under the SEBI (Informal Guidance) Scheme, 2003 {Scheme} in relation to SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 {SAST Regulations} in the matter of M/s. KJMC Financial Services Ltd. {Target Company}

1. This has reference to your letter dated January 09, 2017 and e-mails dated January 13, 2017 and January 24, 2017 on the captioned subject.
2. In respect of the same, you have, inter-alia, represented as under:

2.1 Target Company is listed on the BSE. The shareholding pattern of target company as on December 31, 2016, proposed issue and post issue is as under:

Sr No	Promoter and Promoter group	Pre-Issue		Proposed Issue		Post Issue	
		Number of shares	% of	No. of Shares	% of	Number of shares	% of
i.	I C Jain HUF	2,67,065	5.58	-	-	2,67,065	5.05
ii.	Rajnish Jain	1,22,335	2.55	-	-	1,22,335	2.31
iii.	Girish Jain	1,22,335	2.56	-	-	1,22,335	2.31
iv.	Pankaj Jain	1,22,335	2.56	-	-	1,22,335	2.31
v.	Chanddevi Jain	12,64,907	26.43	-	-	12,64,907	23.93
vi.	Inder Chand Jain	2,13,000	4.45	-	-	2,13,000	4.03
vii.	KJMC Corporate Advisors (India) Ltd.	9,50,000	19.85	1,00,000	-	10,50,000	19.86
viii.	KJMC Shares and Securities Ltd. (KJMC	2,45,000	5.12	2,00,000	-	4,45,000	8.42

सेबी भवन, प्लॉट सं. सी 4-ए, "जी" ब्लॉक, बांद्रा कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व), मुंबई - 400 051.
दूरभाष : 2644 9950 / 4045 9950 (आई.वी.आर. एस.), 2644 9000 / 4045 9000 फैक्स : 2644 9019 से 2644 9022 वेब : www.sebi.gov.in



अनुवर्ती :
Continuation :

भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

	SSL) (wholly owned subsidiary of KJMC Corporate Advisors (India) Ltd.)						
ix.	KJMC Capital Market Services Ltd (KJMC CMSL) (wholly owned subsidiary of KJMC Corporate Advisors (India) Ltd.)	-	-	2,00,000	2,00,000	3.78	
	Total (Promoters) & Promoter group Holding	33,06,977	69.10	5,00,000	38,06,977	72.02	
	Total Public shareholding	14,78,763	30.90	-	14,78,763	27.98	
	Total	47,85,740	100	5,00,000	52,85,740	100	

- 2.2 KJMC Corporate Advisors (India) Ltd (KJMC) is one of the promoters of the TC and currently holds 19.85% in the equity shares of TC.
- 2.3 KJMC SSL (wholly owned subsidiary of the KJMC) is a part of the promoter group entity of the TC and currently holds 5.12% of the equity share capital of TC.
- 2.4 KJMC CMSL (wholly owned subsidiary of the KJMC) is a part of the promoter group entity of the TC and currently holds Nil equity share capital of TC.
- 2.5 KJMC, KJMC SSL and KJMC CMSL (acquirers) would subscribe to further 5,00,000 equity shares under private placement basis (proposed transaction)
- 2.6 After acquisition of 5,00,000 equity shares of the TC by KJMC, KJMC SSL and KJMC CMSL the total promoter group holding would increase from 69.10% to 72.02%. The shareholding from March 31, 2016 would increase from 67.03% to 72.02% (i.e. increase of 4.99%).
3. In view of above, you have sought interpretive letter from SEBI on the following:
- 3.1 Will the proposed acquisition of 5,00,000 shares by KJMC, KJMC SSL and KJMC CMSL of TC trigger open offer under Regulation 3(3) of SAST Regulations?
- 3.2 Will the proposed acquisition of 5,00,000 shares by KJMC, KJMC SSL and KJMC CMSL of TC trigger open offer under Regulation 4 of SAST Regulations?
4. We have considered the submissions made by you in your letter under reference. Without necessarily agreeing with your analysis, our view is as under:
- 4.1 Based on the facts submitted, the proposed transaction i.e. KJMC, KJMC SSL and KJMC CMSL subscribing to further 5,00,000 equity shares under private placement

bl



अनुवर्ती :
Continuation :

भारतीय प्रतिभूति
और विनिमय बोर्ड
**Securities and Exchange
Board of India**

basis in KJMC Financial Services Limited would not trigger open offer under Regulation 3 and 4 of SAST Regulations

5. Further, your request for confidentiality for a period of 90 days has been acceded to.
6. The above position is based on the information furnished in your letters under reference. Different facts or conditions might lead to a different result. Further, this letter does not express a decision of the Board on the questions referred.
7. You may also note that the above views are expressed only with respect to the clarification sought in your letter under reference with respect to Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and do not affect the applicability of any other law or requirements of any other SEBI Regulations, Guidelines and Circulars administered by SEBI or of the laws administered by any other authority.

Yours faithfully,


Amit Tandon