

VISHAL AMUSEMENTS LIMITED

3117

Regd. Off.: KHIL House, 70 - C, Nehru Road, Vile Parle (East), Mumbai - 400099. CIN No. U51395MH1983PLC029100

Tel. No. 022 26164000, Email id: cs@khil.com

July 31, 2017

The Corporate Finance Department
Securities and Exchange Board of India
SEBI Bhavan, Plot No. C-44,
G-Block BKC, Mumbai 400 051

Dear Sir/ Madam,

Sub: - Request for an Interpretative Letter under Securities and Exchange Board of India (Informal Guidance) Scheme, 2003, as amended ("Informal Guidance Scheme") Compliance requirement by the Company under SEBI (Substantial Acquisition of Shares And Takeovers) Regulations, 2011 by virtue of Scheme of Arrangement which includes inter-se transfer of shares within promoter group

1. Background and Facts of the Case:

1.1 Vishal Amusements Limited is an unlisted public company incorporated on January 12, 1983 under the provisions of the Companies Act, 1956. The Company is engaged in carrying business of dealers, distributors, exporters, repairers, processors etc. of stereo systems, cassette, recorders, TV sets, radios and all allied products. The Company falls under the category of Promoter Group of Kamat Hotels (India) Limited (described in para 1.2).

1.2 Kamat Hotels (India) Limited (hereinafter referred to as "KHIL"/ Target Company) was incorporated on March 21, 1986 under the provisions of the Companies Act, 1956 and currently the equity shares of KHIL are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). The Company is engaged in the business of hospitality.

1.3 The Company in order to improve its operational efficiencies and in the greater good of the Company constantly strive to restructure its group structure. In one of the ongoing Scheme of Arrangement wherein the Transferor Companies and Transferee Companies involved are classified under the head of Promoter group in Shareholding pattern of KHIL. Following is the list of the Transferor and Transferee Companies along with their shareholding in KHIL:

Sr. No	Name of the Companies	Category of Company	% of Shares held in paid up capital of KHIL as on 30.06.2017
✓1	Indira Investments Private Limited	Transferor	6.63
✓2	Kamat Holdings Private Limited	Transferor	6.36
✓3	Kamats Club Private Limited	Transferor	0.02
✓4	Kamats Eateries Private Limited	Transferor	0.51
✓5	Kamats Super Snacks Private Limited	Transferor	0.77
✓6	Kanaburger Foods Private Limited	Transferor	0.17
✓7	Karaoke Amusements Private Limited	Transferor	0.34
✓8	Nagpur Ecohotel Private Limited	Transferor	4.24
✓9	VITS Hotels (Bhubaneswar)	Transferor	2.67

VISHAL AMUSEMENTS LIMITED

CIN No. U51395MH1983PLC029100

Regd. Off. : KHIL House, 70 – C, Nehru Road, Vile Parle (East), Mumbai – 400099. Tel. No. 022 26164000, Email id: cs@khil.com.

	Private Limited		
10	Vishal Amusements Limited	Transferee	1.10

1.4 However, by virtue of scheme of arrangement the shares held by the Transferor Companies ('Promoter Group Companies') i.e. from Sr. No. 1 to 9 in KHIL, a listed entity is aggregating to 21.71%. However, post merger the shareholding of Vishal Amusement Limited ('Transferee Company/ Promoter Group Companies') will increase from current shareholding of 1.10% in KHIL to 22.81%. However, overall Promoter shareholding will remain unchanged.

1.5 In terms of the Scheme of Arrangement the shareholders of the Transferee Company will be issued the shares of the Transferor Company.

1.6 Under regulation 10(1)(a)(ii) of SEBI (Substantial Acquisition of Shares And Takeovers) Regulations, 2011 ('Takeover Code') provides exemption from the obligation to make an open offer under regulation 3 and regulation 4 subject to fulfillment of the conditions stipulated therefore—

(a) Acquisition pursuant to inter se transfer of shares amongst qualifying persons, being:

- persons named as promoters in the shareholding pattern filed by the target company in terms of the listing agreement or these regulations for not less than three years prior to the proposed acquisition;

1.7 Under regulation 10(1)(d)(iii) of Takeover Code an acquisition pursuant to a Scheme of Arrangement, wherein the target (i.e. KHIL) is not directly involved as a transferor/ transferee company would not trigger any open offer obligations under regulation 3 if:

- the component of cash and cash equivalents in the consideration paid being less than twenty-five per cent of the consideration paid under the scheme; (no cash component involves in this transaction) and
- where after implementation of the scheme of arrangement, persons directly or indirectly holding at least thirty-three per cent of the voting rights in the combined entity are the same as the persons who held the entire voting rights before the implementation of the scheme.

2. Our Interpretation:

According to our view, since the above transaction i.e. increase in shareholding of Vishal Amusement Limited in KHIL from 1.10% to 22.81% will fall under exempted category as envisaged under Regulation 10 of the Takeover Code and hence the requirement of making Public Offer under Regulation 3 & 4 of the Takeover Code shall be exempted.

The only requirement which Vishal Amusement Limited needs to comply with will be under Regulation 29 of the Takeover Code.

VISHAL AMUSEMENTS LIMITED

CIN No. U51395MH1983PLC029100

Regd. Off. : KHIL House, 70 - C, Nehru Road, Vile Parle (East), Mumbai - 400099. Tel. No. 022 26164000, Email id: cs@khil.com.

3. Guidance Sought:

Based on the above facts we seek your clarification on the following:

- 3.1 Confirmation that the aforesaid transaction falls under the exempted category as mentioned under Regulation 10 of Takeover Code.
- 3.2 Confirmation that the Vishal Amusement has to comply only with disclosure requirement under Regulation 29 of Takeover Code.
- 3.3 Confirmation that any other provisions of the Code is to be complied with incase of the aforementioned transaction.
- 3.4 Confirmation with respect to disclosure under Regulation 29 of the Takeover Code is to be given by Indira Investments Private Limited and Kamat Holdings Private Limited (Transferor Company/Promoter Group Companies) as they hold 6.63% and 6.36% shares in KHIL.

If any additional information is required in relation to the clarifications as sought above, you can write to us at cs@khil.com.

We thank you in advance for your time in considering the application and look forward to hearing from you and receiving your interpretative letter in relation to above.

For Vishal Amusements Limited


Prabhakar Shetty
Director

VISHAL AMUSEMENTS LIMITED

CIN No. U51395MH1983PLC029100

Regd. Off. KHIL House 70 - C, Nehru Road, Vile Parle (East), Mumbai - 400099. Tel. No. 022 26164000 Email id: cs@khil.com

September 14, 2017

The Corporate Finance Department
Securities and Exchange Board of India
SEBI B
havan, Plot No. C-44,
G-Block BKC, Mumbai 400 051

Dear Sir/Madam,

Sub: - Request for an Interpretative Letter under Securities and Exchange Board of India (Informal Guidance) Scheme, 2003, as amended ("Informal Guidance Scheme") Compliance requirement by the Company under SEBI (Substantial Acquisition of Shares And Takeovers) Regulations, 2011 by virtue of Scheme of Arrangement which includes inter-se transfer of shares within promoter group

1. Background and Facts of the Case:

1.1 Vishal Amusements Limited is an unlisted public company incorporated on January 12, 1983 under the provisions of the Companies Act, 1956. The Company is engaged in carrying business of dealers, distributors, exporters, repairers, processors etc. of stereo systems, cassette, recorders, TV sets, radios and all allied products. The Company falls under the category of Promoter Group of Kamat Hotels (India) Limited (described in para 1.2).

1.2 Kamat Hotels (India) Limited (hereinafter referred to as "KHIL"/ Target Company) was incorporated on March 21, 1986 under the provisions of the Companies Act, 1956 and currently the equity shares of KHIL are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). The Company is engaged in the business of hospitality.

1.3 The Company in order to improve its operational efficiencies and in the greater good of the Company constantly strive to restructure its group structure. In one of the ongoing Scheme of Arrangement wherein the Transferor Companies and Transferee Companies involved are classified under the head of Promoter group in Shareholding pattern of KHIL. Following is the list of the Transferor and Transferee Companies along with their shareholding in KHIL:

Sr. No	Name of the Companies	Category of Company	% of Shares held in paid up capital of KHIL as on 30.06.2017
1	Indira Investments Private Limited	Transferor	6.63
2	Kamat Holdings Private Limited	Transferor	6.36
3	Kamats Club Private Limited	Transferor	0.02
4	Kamats Eateries Private Limited	Transferor	0.51
5	Kamats Super Snacks Private Limited	Transferor	0.77
6	Kamburger Foods Private Limited	Transferor	0.17
7	Karaoke Amusements Private Limited	Transferor	0.34
8	Nagpur Ecohotel Private Limited	Transferor	4.24

VISHAL AMUSEMENTS LIMITED

CIN No. U51395MH1983PLC029100

Regd. Off. : KHIL House, 70 - C, Nehru Road, Vile Parle (East), Mumbai - 400099. Tel. No. 022-26164000, Email id: cs@khil.com.

9	VITS Hotels (Bhubaneswar) Private Limited	Transferor	2.67
10	Vishal Amusements Limited	Transferee	1.10

1.4 However, by virtue of scheme of arrangement the shares held by the Transferor Companies ('Promoter Group Companies') i.e. from Sr. No. 1 to 9 in KHIL, a listed entity is aggregating to 21.71%. However, post merger the shareholding of Vishal Amusement Limited ('Transferee Company/ Promoter Group Companies') will increase from current shareholding of 1.10% in KHIL to 22.81%. However, overall Promoter shareholding will remain unchanged.

1.5 In terms of the Scheme of Arrangement the shareholders of the Transferee Company will be issued the shares of the Transferor Company.

1.6 Under regulation 10(1)(a)(ii) of SEBI (Substantial Acquisition of Shares And Takeovers) Regulations, 2011 ('Takeover Code') provides exemption from the obligation to make an open offer under regulation 3 and regulation 4 subject to fulfillment of the conditions stipulated therefore—

(a) Acquisition pursuant to inter se transfer of shares amongst qualifying persons, being:

- persons named as promoters in the shareholding pattern filed by the target company in terms of the listing agreement or these regulations for not less than three years prior to the proposed acquisition;

1.7 Under regulation 10(1)(d)(iii) of Takeover Code an acquisition pursuant to a Scheme of Arrangement, wherein the target (i.e. KHIL) is not directly involved as a transferor/ transferee company would not trigger any open offer obligations under regulation 3 if:

- the component of cash and cash equivalents in the consideration paid being less than twenty-five per cent of the consideration paid under the scheme, (no cash component involves in this transaction) and
- where after implementation of the scheme of arrangement, persons directly or indirectly holding at least thirty-three per cent of the voting rights in the combined entity are the same as the persons who held the entire voting rights before the implementation of the scheme.

1.8 Currently, we have filed the Company Scheme Petition with Hon'ble National Company Law Tribunal, Mumbai Bench and the date of hearing is awaited.

2. Our Interpretation:

According to our view, since the above transaction i.e. increase in shareholding of Vishal Amusement Limited in KHIL from 1.10% to 22.81% will fall under exempted category as envisaged under Regulation 10 of the Takeover Code and hence the requirement of making Public Offer under Regulation 3 & 4 of the Takeover Code shall be exempted.

The only requirement which Vishal Amusement Limited needs to comply with will be under Regulation 29 of the Takeover Code.

VISHAL AMUSEMENTS LIMITED

CIN No. U51395MH1983PLC029100

Regd. Off.: KHIL House, 70 - C, Nehru Road, Vile Parle (East), Mumbai - 400099. Tel. No. 022 26164000. Email id: cs@khil.com

3. Guidance Sought:

Based on the above facts we seek your clarification on the following:

- 3.1 Confirmation that the aforesaid transaction falls under the exempted category as mentioned under Regulation 10(1) (a) (i) of the Takeover Code?
- 3.2 Since Vishal Amusement Limited's holding (post merger) will increase from 1.10% to 22.81% the only disclosure required to be made would be under Regulation 29 (1) of the Takeover Code?

If any additional information is required in relation to the clarifications as sought above, you can write to us at cs@khil.com.

We thank you in advance for your time in considering the application and look forward to hearing from you and receiving your interpretative letter in relation to above.

For Vishal Amusements Limited


Prabhakar Shetty
Director

Govind Goyal

From: cs@khil.com
Sent: 06/11/2017 4:19 PM
To: Govind Goyal; PAVAN SHAH
Subject: Re: Informal Guidance

Dear Mr. Govind,

This mail has reference to our informal guidance sought from your good office vide letter dated 14th September, 2017, we request you to read Point 3.2 of the said letter as:

"Since Vishal Amusement Limited's holding (post merger) will increase from 1.10% to 22.81% whether the said transaction will attract disclosure under Regulations 29 (1) or (2) and 10 (5),(6) & (7) of the Takeover Code?"

Regards,
Corporate Secretarial Department
Kamat Hotels (India) Limited

On 2017-09-15 17:06, cs@khil.com wrote:

> Dear Sir,
>
> Please find attached Interpretative Letter seeking guidance from SEBI
> pertaining to the applicability of certain regulations of SEBI
> (Substantial Acquisition of Shares And Takeovers) Regulations, 2011.
>
> Request you to kindly reply at your earliest convenience.
>
> Regards,
> Corporate Secretarial Department
> Kamat Hotels (India) Limited

Disclaimer :This email and any files transmitted with it are confidential and intended solely for the use of the individual or entity to whom they are addressed. If you have received this email in error, please notify the system manager.

This message contains confidential information and is intended only for the individual named. If you are not the named addressee, you should not disseminate, distribute or copy this email.

Please notify the sender immediately by email if you have received this email by mistake and delete this email from your system.

If you are not the intended recipient, you are notified that disclosing, copying, distributing or taking any action in reliance on the contents of this information is strictly prohibited.

The recipient should check this email and any attachments for the presence of viruses.

The organization accepts no liability for any damage caused by any virus transmitted by this email