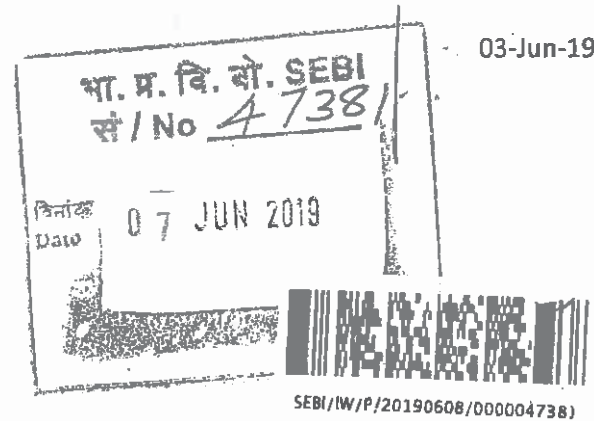


To,
The Chief General Manager,
Integrated Surveillance Department,
Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C4-A,
'G' Block, Bandra Kurla Complex,
Bandra (East), Mumbai- 400051



Respected Sir,

Sub: Request for Informal Guidance by way of an Interpretive Letter under the Securities and Exchange Board of India (Informal Guidance) Scheme, 2003 in connection with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and subsequent amendments thereto

In relation to the captioned subject, we seek your informal guidance in relation to applicability of SEBI (Prohibition of Insider Trading) Regulations, 2015 in the cases mentioned hereunder:

A. Background

Arvind Limited is a company incorporated under the Indian Companies Act, 1913, having its registered office at Naroda Road, Ahmedabad - 380025. The equity shares of Arvind Limited are listed on BSE Limited and the National Stock Exchange of India Limited.

One of the promoters of Arvind Limited, say Mr. P, is also one of the successors of Lalbhai family.

B. Brief Facts of the Case

1. Lalbhai Group has a long-known lineage that goes back 18 generations. Mr. P is one of the successors of Lalbhai family.
2. Arvind Limited is in existence since more than 88 years. Over the period of time, due to inheritance, Mr. P has become trustee in certain trusts where shares of Arvind Limited are held under his PAN. Similarly, he is also executor of certain wills where he is required to distribute the proceeds of sale of Arvind Limited's shares to the legal heirs under the respective wills.
3. Mr. P, who is a promoter and director of Arvind Limited, is holding shares of Arvind Limited under his PAN in the following manners:
 - a. in his personal capacity as an individual,
 - b. in the capacity of trustee for the benefit of Mr. P's family,



- c. in the capacity of trustee for the benefit of the beneficiaries other than Mr. P's family and
 - d. in the capacity of executor for various wills.
4. Though these shares might be held in same folio under same PAN, since they are held for benefit of different people and under different capacities, they will be accounted under different entities and can be differentiated on the basis of utilisation of their sale proceeds.

C. Our Interpretation

1. As per Clause 10 of Schedule B of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, *the code of conduct shall specify the period, which in any event shall not be less than six months, within which a designated person who is permitted to trade shall not execute a contra trade. ... Should a contra trade be executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to the Board for credit to the Investor Protection and Education Fund administered by the Board under the Act.*
2. On perusal of the above clause it may be noted that restriction on contra trade is applicable only to "a Designated Person" per se and not to "Designated Persons" or "group of Designated Persons".
3. A Reference may be drawn from an Interpretative Letter issued by SEBI on 12 April 2018 in case of Star Cement Limited wherein it was held that restriction on contra trade per clause 10 of Schedule B, does not apply to the "promoter group" per se. Such restrictions on contra-trade apply individually to persons, including promoters, who are identified as 'Designated Persons'.
4. Therefore, where the restriction is on a person and not on the group of persons of same category (i.e. restriction is qua person falling under "Promoter group" and not on the "entire Promoter group"), where one person is holding shares of a listed company under different capacity, shares held by such person collectively under all the capacity should be looked at differently and should not tantamount to shares held by such person in his individual capacity.
5. Therefore, in the instant case, where Mr. P is holding shares under different capacity, shares held under each capacity should be considered as shares held by separate Designated Person. Since the restriction of contra trade under Clause 10 is for 'a designated person', such restriction should not apply to Mr. P, holding shares in different capacities.
6. Similarly, where shares are held under a trust not under the PAN of Mr. P but under PAN of other trustees of the trust, the restrictions of contra trade should not be applicable to Mr. P on sale or purchase of such shares since the shares are held by co-trustees and not by Mr. P.

D. Clarifications Sought

1. Whether Mr. P will be considered a Designated Person for the shares held by him under his personal capacity alone or for all the shares held under all the capacities as mentioned in Point 3 of Brief Facts of the Case?

2. In case he is considered a Designated Person for all the capacities, i.e., individual, trustee and executor then will the restrictions of contra-trade provided in Clause 10 of Schedule B of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 be applicable to all the shares held in all the capacities collectively or individually? For example, if Mr. P has sold shares in the capacity of executor of a will to distribute the assets to the legal heirs of the will, will he become barred from buying shares of Arvind Limited in his personal capacity? In short, will he be able to buy shares in other capacities after selling shares in any one capacity or vice versa?
3. Whether the restrictions of contra-trade will be applicable to any shares held under a trust not under the PAN of Mr. P but under PAN of other trustees of the trust?

E. Compliance with Paragraph 6 of the Scheme

In accordance with Paragraph 6 of the Scheme, this request for informal guidance is accompanied with a demand draft for Rs. 25,000/- (Rupees Twenty-Five Thousand Only) dated 31.05.19 drawn on Yes Bank Ltd. payable in favour of Securities and Exchange Board of India, payable at Mumbai.

All material facts, circumstances and legal provisions which in our opinion are relevant for the purposes of determination of this request are stated herein.

We seek your considered informal guidance to this effect and we will extend our full co-operation in case you require any further information. Any request for further information / clarification may be addressed to:

Contact Person	Address	Contact Details
Ramnik V Bhimani	Arvind Limited, Naroda Road, Ahmedabad – 380 025	E-mail ID - rv.bhimani@arvind.in Contact no - 098240 16595
Akshay Dodiya	Arvind Limited, Naroda Road, Ahmedabad – 380 025	E-mail ID - akshay.dodiya@arvind.in Contact no – 072085 02690

Thanking You.

Yours faithfully,
For Arvind limited



Authorised Signatory
Name: Ramnik V Bhimani
Designation: Company Secretary

