



भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

General Manager
Corporation Finance Department
Policy and Development
Email: yogitag@sebi.gov.in

No.: SEBI/HO/CFD/PoD2/OW/P/2022/4170/1

February 1, 2023

To

Sherisha Technologies Private Limited
1/171, Old Mahabalipuram Road
Thiruporur, Chennai
Tamil Nadu - 603110

Sir,

Sub: Request for informal guidance by way of an "interpretive letter" under Securities and Exchange Board of India (Informal Guidance) Scheme, 2003 with respect to Regulation 10(1)(a)(ii) of the Securities and Exchange Board of India (Substantial acquisition of Shares and Takeovers) Regulations, 2011 ('SEBI Takeover Regulations').

1. This is with reference to your letter dated November 5, 2022 ("**Application**") seeking guidance by way of an interpretative letter under the SEBI (Informal Guidance) Scheme, 2003 ("**Scheme**")
2. In the etter under reference you have, *inter-alia*, stated as under- :
 - a) Sherisha Technologies Private Limited ('**STPL**') and Avyan Pashupathy Capital Advisors Private Limited ('**Avyan**') are the promoter/promoter group of Reflex Renewables and Infrastructure Limited (formerly SunEdison Infrastructure Limited) ('**RRIL**' or the '**Company**'), a listed entity, and hold its equity shares to the extent of 19,75,556 equity shares (44%) and 13,91,869 equity shares (31%) respectively. The remaining equity shares, i.e. 11,22,475 equity shares (25%) are held by public shareholders.
 - b) Avyan acquired the equity shares of RRIL from public to the extent of 5,31,811 equity shares through an open offer for which consideration was paid on October 16, 2019 and, from erstwhile promoters to the tune of 13,91,869 equity shares vide a share purchase agreement dated October 07, 2019.

सेबी भवन, प्लॉट सं. सी 4-ए, "जी" ब्लॉक, बान्द्रा-कुर्ला कॉम्प्लेक्स, बान्द्रा (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

- c) Avyan intimated the Company in respect of the aforesaid acquisition in accordance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 on November 06, 2019. Pursuant to the acquisition, Avyan has been classified by the Board of Directors of RRIL as one of the promoters of RRIL since November 14, 2019 and the same was intimated to the Bombay Stock Exchange (BSE). As advised by BSE to comply with the requirement under regulation 31A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 (LODR Regulations), RRIL had sought re-classification of Avyan as promoter vide letter dated November 22, 2019. Further, Avyan was first reflected as promoter group, with 31% equity shareholding in the Company, in the revised shareholding pattern for Quarter 3 of Financial Year 2019-20 submitted to BSE Limited on January 11, 2020 in compliance with the Regulation 31 of the LODR Regulations.
- d) STPL has also been part of the promoter & promoter group of RRIL for more than 3 years and have been identified as such in the disclosures made by the company under the LODR Regulations.
- e) Avyan, one of the abovementioned promoters of the Company intends to transfer 13,91,869 equity shares to STPL (another promoter of the Company) by way of an *inter-se* transfer in an off-market transaction or block deal window mechanism.
3. In view of the above, you have sought an interpretative letter under the Scheme on the following questions-
- a) *Whether the transfer of the said equity shares between the promoters will be classified as inter se transfer for the purposes of Regulation 10 of the SEBI Takeover Regulations and will be exempt from the obligation to make an open offer under Regulation 3 and 4 of SEBI Takeover Regulations?*
- b) *What is the time period from which three years has to be computed to avail the open offer exemption? Whether it is three years from:*
- i. *Date of acquisition of equity shares by the selling promoter; or*
- ii. *Date of intimation to the BSE Limited on reclassification of Avyan as part of promoter group in compliance with Regulation 31A of the LODR Regulations;*
or
Date of reporting the shareholding pattern Quarter on Quarter as part of requirement under Regulation 31(1)(b) of the LODR Regulations?

We have considered the submissions made by you in your letter under reference Without necessarily agreeing with your analysis, we are issuing interpretative letter as under:.

4. At the outset it may be noted that paragraph 4 read with paragraph 5(ii) of the Scheme provides that the interpretative letter under the informal scheme is to be given in cases "in which a Department of SEBI provides an interpretation of a specific provision of any Act,



अनुवर्ती :
Continuation :

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

Rules, Regulations, Guidelines, Circulars or other legal provision being administered by SEBI in the context of a proposed transaction in securities or a specific factual situation."

5. Therefore, the interpretative letter has to provide "interpretation of a specific provision of any Act, Rules, Regulations, Guidelines, Circulars or other legal provision being administered by SEBI" in the context of a proposed transaction in securities or a specific factual situation. In the present case, the proposed transaction is the transfer of 13,91,869 equity shares by Avyan to STPL by way of an *inter-se* transfer in an off-market transaction or block deal window mechanism. The interpretation sought, in the context of the proposed transaction, is with respect to the applicability of the Regulation 10(1)(a)(ii) of the Takeover Regulations in order to examine whether the transaction is eligible under the regulation to avail the exemption specified therein.
6. Regulation 10 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (Takeover Regulations), exempts certain acquisitions which fulfil the conditions stipulated therein, from the obligation to make an open offer under regulation 3 and regulation 4. Regulation 10(1)(a)(ii) exempts acquisition pursuant to *inter se* transfer of shares amongst persons named as the promoters in the shareholding pattern filed by the target company under the LODR Regulations or the listing agreement or the Takeover Regulations, as the case may be, for not less than three years prior to the proposed acquisition. The relevant extract of Regulation 10(1) is produced below for reference:

General exemptions

"10. (1) The following acquisitions shall be exempt from the obligation to make an open offer under regulation 3 and regulation 4 subject to fulfilment of the conditions stipulated therefor --

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

(ii) persons named as promoters in the shareholding pattern filed by the target company in terms of the listing regulations or as the case may be, the listing agreement or these regulations for not less than three years prior to the proposed acquisition."

7. Further, Regulation 31 of the LODR Regulations mandates the listed entity to submit to the stock exchange(s) a statement showing holding of securities and shareholding pattern within the following timelines –
- one day prior to listing of its securities on the stock exchange(s);
 - on a quarterly basis, within twenty one days from the end of each quarter; and
 - within ten days of any capital restructuring of the listed entity resulting in a change exceeding two per cent of the total paid-up share capital.



अनुवर्ती :
Continuation :

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

8. According to the submissions made by the applicant, Avyan has been first reflected as the promoter group of the company in the shareholding pattern filed by RRIL for Quarter 3 of the Financial Year 2019-2020 with BSE Limited on January 11, 2020 in compliance with Regulation 31 of the LODR Regulations. Apart from the above, STPL has not made any submission regarding the earlier filing of shareholding pattern by the target company under the LODR Regulations or the Takeover Regulations, if any, disclosing Avyan as its promoter along with STPL.
9. However, the department has taken cognizance of the fact, that RRIL on January 6, 2023 has filed the shareholding pattern for December Quarter of the Financial Year 2022-2023 with BSE Limited, wherein Avyan and STPL has been named as promoters. Therefore, in accordance with Regulation 10(1)(a)(ii) of Takeover Regulations read with Regulation 31 of the LODR Regulations, the proposed transaction shall be exempted from the obligation to make an open offer under Regulation 3 and 4 of SEBI Takeover Regulations and the proposed transaction in the present factual context, does not require any further interpretation of the regulation in terms of paragraph 4 read with paragraph 5(ii) of the Scheme.
10. Vide your letter under reference, you have requested for confidentiality in respect of your application. Accordingly, the interpretative letter issued to you in this matter shall not be made public for a period of 90 days from the date of issuance of this letter.
11. The above position is based on the information furnished in your letter under reference. Different facts or conditions may lead to a different result. Further, this letter does not express a decision of the Board on the question referred.
12. You may note that the above views are expressed only with respect to the clarification sought vide your letter under reference in relation to Regulation 10(1)(a)(ii) of the 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,


Yogita Jadhav