

BEFORE THE SECURITIES APPELLATE TRIBUNAL
MUMBAI

**Misc. Application No. 69 of 2011
And
Appeal No. 123 of 2011**

Date of decision: 25.8.2011

Vaswani Industries Limited
MIG-4, Indrawati Colony,
Raipur – 492 001, Chattisgarh.

... Appellant

Versus

1) Securities and Exchange Board of India
SEBI Bhavan, Plot No. C-4A, G Block,
Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051.

2) Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai 400 001.

3) National Stock Exchange of India Limited
Exchange Plaza,
Plot no. C/1, G Block,
Bandra-Kurla Complex,
Bandra (E), Mumbai 400 051.

4) Ashika Capital Limited
1008, Raheja Centre,
214, Nariman Point,
Mumbai – 400 021.

... Respondents

Mr. Janak Dwarkadas, Senior Advocate with Mr. Anant Upadhyay, Advocate for the Appellant.

Mr. Shiraz Rustomjee, Senior Advocate with Mr. Ajay Khaire, Advocate for Respondent no. 1.

Mr. Omprakash Jha, Advocate for Respondent no. 2.

Ms. Shilpa Joshi, Advocate for Respondent no. 3.

Mr. Rajendra Kanoongo, Representative of Respondent no. 4.

CORAM : Justice N. K. Sodhi, Presiding Officer
S. S. N. Moorthy, Member

Per : Justice N. K. Sodhi, Presiding Officer (Oral)

The learned senior counsel on both sides are agreed that Appeals no. 123 and 124 of 2011 be disposed of in the following terms:-

1. The Appellant shall give a withdrawal option to investors in the RII category to the extent of 15,00,348 shares as set out in its letter dated 8th July 2011.
2. The Appellant shall issue a public advertisement giving details of the withdrawal option and the information regarding the bonus issue mentioned below. The public advertisement shall be made in consultation with SEBI and Bombay Stock Exchange Limited as soon as possible, but in any event, within 7 working days of this order.
3. For the purpose of the withdrawal of offers and other related issues, the Appellant shall follow the other procedures laid down in the SEBI order dated July 11, 2011.
4. After completion of the withdrawal of offers by RIIs and placement of those shares with either the Sole Syndicate Member cum BRLM i.e. Ashika Capital Limited or investors identified by Ashika Capital Limited, and subject to the receipt of minimum subscription and any other compliance, the stock exchanges shall grant listing permission for the shares.
5. Immediately upon listing of the shares, the Appellant shall take steps to make a bonus issue of shares to the investors in the IPO in the ratio of one share for every four shares held. The promoters and the promoter group entities of the Appellant have provided a written undertaking that they will not receive such bonus shares in the said bonus issue. The Appellant hereby undertakes that it will not issue such bonus shares to any of the promoters or the promoter group entities. A list of the promoters and their group entities has been filed before us the correctness of which is confirmed by the Appellant. It is made clear that promoters and the promoter group entities shall not directly or indirectly receive the bonus shares mentioned above.
6. The public advertisement mentioned in paragraph 2 above shall give full information and details regarding the bonus issue mentioned in paragraph 2 above, and shall make it clear that investors will receive the bonus shares mentioned therein in respect of such of their shares for which they have not

exercised the withdrawal option. For the purpose of clarification, an illustration shall be included in the advertisement.

7. Trading in the shares on the stock exchanges shall be permitted only after the bonus issue of shares and their listing is completed in all respects.
8. The entire process regarding the withdrawal of offers and the bonus issue shall be completed within sixty days of this order.

The appeals stand disposed of as above. This order shall be in modification of para 26 of the impugned order dated July 11, 2011. It is, however, made clear that this order disposing of the appeals shall not in any manner be taken to be an expression of our opinion upon the merits of the issues involved in any of the cases and those alleged in the impugned order. It is further clarified that ongoing investigations shall not be affected in any manner and the Securities and Exchange Board of India shall be free to take such action as it deems fit against any person found to have acted in contravention of law. The suggested minutes of the order together with the annexures are taken on record. No costs.

Sd/-
Justice N. K. Sodhi
Presiding Officer

Sd/-
S. S. N. Moorthy
Member

25.8.2011
Prepared & Compared by
ptm