

RAMA MINES (MAURITIUS) LTD

C/o Port Louis Management Services Ltd, 3rd Floor, Harbour Front Building, President John Kennedy Street, Port Louis, Republic of Mauritius

May 18, 2023

Securities and Exchange Board of India
SEBI Bhavan, Plot C-4-A, 'G'Block,
Bandra Kurla Complex,
Mumbai 400 051

Dear Sir,

Sub:	Request for informal guidance by way of interpretative letter under the provisions of SEBI (Informal Guidance) Scheme, 2003
Ref:	SEBI (Prohibition of Insider Trading) Regulations, 2015 dated January 15, 2015 including subsequent amendments thereto and SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 dated September 23, 2011 including subsequent amendments thereto

In relation to the captioned subject, we refer to Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (“SEBI PIT Regulations”) and Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 (“SEBI Takeover Regulations”) and seek clarification on the issue detailed hereunder on the basis of the facts and details provided in this letter.

1. Application under SEBI (Informal Guidance) Scheme, 2003:

1.1 Rama Mines (Mauritius) Ltd (here in referred to as “the applicant”) falls under the definition of “Acquirer” under the SEBI Takeover Regulations and is eligible to apply for informal guidance in accordance with paragraph 4 of SEBI (Informal Guidance) Scheme, 2003.

2. Background details:

2.1 Deccan Gold Mines Limited (hereinafter referred to as “DGML” or “the Company”) is a company incorporated under the Companies Act, 1956 having its registered office at # 501, Ackruti Trade Center, Road No. 7, M.I.D.C. Andheri (East), Mumbai 400 093, Maharashtra, India registered with the Corporate Identification Number L51900MH1984PLC034662.

2.2 The equity shares of DGML are listed on BSE Limited (Scrip Code: 512068).

2.3 The paid up capital of DGML as on date is 126,835,164 equity shares of Re.1/- each (face value) and the shareholding of the Promoter / Promoter Group in the Company is as under:

Sl. No.	Name of the Promoter / Promoter Group	No. of shares	Shareholding %age
1	Rama Mines (Mauritius) Ltd, Mauritius (RMML)	24161450	19.05



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2	Australian Indian Resources Limited, Australia (AIR)	14578729	11.49
	TOTAL	38740179	30.54

The shareholding of RMML is as under:

Name of shareholder	No. of shares held	%age of holding
Yandal Investments Pty. Ltd.	61,81,797	48.98
Halcyon Investments Ltd.	31,22,958	24.75
Other small shareholders (holding less than 10% each) (held fragmentally by 87 shareholders)	33,15,388	26.27
	1,26,20,143	100.00

AIR, belonging to the Promoter Group was allotted 14,578,729 equity shares of DGML on March 2, 2023 pursuant to a share swap on preferential basis. AIR did not have any pre-preferential shareholding and 14,578,729 shares of DGML issued to it on March 2, 2023 have been locked-in for a period of 18 months from the date of allotment in accordance with applicable SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018.

Further, AIR was also allotted 1,499,276 Compulsorily Convertible Debentures (CCDs) of DGML on March 2, 2013 pursuant to a share swap on preferential basis. These CCDs have a tenure of 18 months and also been subject to a lock-in for a period of 18 months and are convertible into 1,499,276 equity shares.

Further, Yandal Investments Pty. Ltd. (largest shareholder of RMML) holds more than 20% in AIR. The shareholding of AIR is as under:

Name of shareholder	No. of shares held	%age of holding
Yandal Investments Pty. Ltd.	5,00,56,339	22.45
Halcyon Investments Ltd. (also a major shareholder in RMML)	6,88,55,292	30.88
Other small shareholders (holding less than 10% each) (held fragmentally by 133 shareholders)	10,40,54,618	46.67
	22,29,66,249	100.00

The 100% ownership of Yandal Investments Pty. Ltd., Australia, which holds 48.98% in RMML and 22.45% in AIR, is beneficially held by Mark Gareth Creasy. Further, Halcyon Investments Ltd. ("HIL") is a company incorporated in Bahamas and is managed by WT Directors Limited ("WTDL"), Guernsey, the Corporate Director and Weighbridge Trust Administration Limited ("WTAL"), Guernsey, Corporate Secretary. HIL is a wholly owned subsidiary of the Halcyon Trust ("HT"), a discretionary trust of which Weighbridge Trust Limited ("WTL") is the trustee. WTDL, WTAL and, WTL are licenced by the Guernsey Financial Services Commission to provide fiduciary services. Jade Devenish and Myra Neumann are the natural persons who are discretionary beneficiaries, holding no power to fetter the discretion of the Trustee who ultimately controls the structure, of HT.

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3. Proposed action

RMML now proposes to sell equity shares of DGML in the open market (stock exchange platform).

4. Applicable Legal Provisions

4.1 As Regulation 2(1)(a) of the SEBI Takeover Regulations:

“acquirer” means any person who, directly or indirectly, acquires or agrees to acquire whether by himself, or through, or with persons acting in concert with him, shares or voting rights in, or control over a target company;

4.2 As Regulation 3(2) of the SEBI Takeover Regulations:

“No acquirer shall acquire shares or voting rights in a target company which taken together with shares or voting rights, if any, held by him and by persons acting in concert with him in such target company, entitle them to exercise twenty five per cent or more of the voting rights in such target company unless the acquirer makes a public announcement of an open offer for acquiring shares of such target company in accordance with these regulations”

In terms of holding of shares by Rama Mines (Mauritius) Limited in DGML, it shall fall under the definition of acquirer under SEBI Takeover Regulations

4.3 As per Regulation 9(1) of SEBI PIT Regulations:

“The board of directors of every listed company and [the board of directors of head(s) of the organisation of every intermediary shall ensure that the chief executive officer or managing director] shall formulate a code of conduct [with their approval] to regulate, monitor and report trading by its [designated persons and immediate relatives of designated persons] towards achieving compliance with these regulations, adopting the minimum standards set out in Schedule B [in case of a listed company] and Schedule C (in case of an intermediary)] to these regulations, without diluting the provisions of these regulations in any manner.”

4.4 Schedule B of SEBI PIT Regulations provides the minimum standards of Code of Conduct to regulate, monitor and report trading by insiders. As per the requirements of SEBI PIT Regulations, DGML has framed an Internal Code of Conduct.

4.5 Reference may be made to Clause 10 of Schedule B of the SEBI PIT Regulations which states as under:

“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.....”

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5. Clarifications sought / Our interpretation

5.1 Clarification Sought:

Whether provision of contra-trade apply to trades made by an individual Promoter or whether the entire category of Promoter & Promoter Group is considered for the same. For example – if an entity in the Promoter Group has acquired shares (purchase by AIR in our case on March 2, 2023), then whether the restrictions on contra trade apply to it separately or will it apply to the entire Promoter & Promoter Group (which includes RMML).

5.2 Our interpretation

- 5.2.1 We are of the view that the restrictions on contra trade as per Clause 10 of Schedule B of SEBI PIT Regulations do not apply to the entire category of Promoter and Promoter Group *per se*. Such restrictions on contra trade apply individually to persons, including promoters who are identified as ‘designated persons’.
- 5.2.2 In view of the above, Rama Mines (Mauritius) Ltd, Mauritius (RMML), the Promoter of DGML can sell shares of DGML through stock exchange despite the fact that another entity belonging to the Promoter Group viz., Australian Indian Resources Limited, Australia (AIR) has purchased shares of DGML (on March 2, 2023 under a share swap on preferential basis). Such sale of shares by RMML will not fall under the definition of ‘contra trade’ as per Clause 10 of Schedule B of PIT Regulations.

6. Request for confidentiality:

- 6.1 In accordance with paragraph 11 of the SEBI (Informal Guidance) Scheme, 2003 we request you to keep the contents of this request and your response confidential for the maximum period of 90 days as allowed under the Scheme after the response to this letter is tendered.

7. Compliance with paragraph 6 of the SEBI (Informal Guidance) Scheme, 2003:

- 7.1 In accordance with paragraph 6 of the SEBI (Informal Guidance) Scheme, 2003, we shall initiate a payment of Rs. 29,500/- (Rupee Twenty-Nine Thousand and Five Hundred only) [Rs. 25,000 + 18% GST] along with the Interpretative Letter in favour of Securities and Exchange Board of India, in accordance with the payment details, as provided by SEBI.
- 7.2 Further, all material facts, circumstances and legal provisions which in our opinion are relevant for the purpose of determination of this request have been stated herein.
8. We seek your considered informal guidance and will extend our full cooperation in case you require any further information. Any request for further information / clarification may be addressed to:

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Contact Person	Address	Contact Details
Mr Salim Jhumka	C/o Port Louis Management Services Ltd, 3 rd Floor, Harbour Front Building, President John Kennedy Street, Port Louis, Mauritius	salim@pmsl-mauritius.com

9. We shall be thankful for receiving the Interpretative Letter sought at your earliest convenience.

Yours truly

For Rama Mines (Mauritius) Ltd

Signature:

Name: SALIM JHUMKA

Designation: DIRECTOR

