



सहायक प्रबंधक Assistant Manager
निगम वित्त विभाग Corporation Finance Department
निर्गम एवं सूचीबद्धता प्रभाग RAC-Division of Issues and Listing 2
Tel. (Direct): 022 - 2644 9941
E-mail: shivanig@sebi.gov.in

SEBI/HO/CFD/DIL-2/P/OW/2024/13085/1
April 03, 2024

Mr. Lalit Aggarwal,
Managing Director,
Shree Bala Ji Pigments Limited
36-B, Industrial Extension Area,
Near Hatli Road, Kathua,
Jammu & Kashmir -184102

Sub- Application seeking exemption under regulation 300(1) (c) of the SEBI ICDR Regulations, 2018 from strict enforcement of Regulation 2(1) (pp) of the ICDR Regulations, 2018 by Shree Bala Ji Pigments Limited - (i) Anita Jain; (ii) Charu Bansal (iii) Anju Gupta (iv) Shakuntla Goel (v) Manju Agarwal

Sir,

1. This is with reference to the letters/mails dated March 04, 2023, March 19, 2024 and subsequent correspondences in the matter of Shree Bala Ji Pigments Limited ("the Company") filed by the company. In the aforesaid communications, the Company had sought exemption under Regulation 300(1)(c) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (hereinafter referred to as "ICDR Regulations") for relaxation of strict enforcement of Regulation 2(1)(pp) of the ICDR Regulations with regard to the disclosures pertaining to (i) Anita Jain; (ii) Charu Bansal (iii) Anju Gupta (iv) Shakuntla Goel (v) Manju Agarwal as promoter group entities.
2. While seeking exemption from the compliance with Regulation 2(1) (pp) of the ICDR Regulations, the Company has *inter-alia* submitted the following:
 - i. The Company is proposing to undertake an IPO in accordance with the provisions of ICDR Regulations. The Company has two promoters- Lalit Aggarwal & Sunil Kumar Aggarwal, currently holding 50.44 % and 39.07 % of the total equity share capital of the Company respectively.

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- ii. In connection with the proposed offer, the Company is required to disclose the individuals and entities forming part of the promoter group, as defined under Regulation 2(1)(pp) of the ICDR Regulations.
 - iii. In terms of Regulation 2(1)(pp) of the ICDR Regulations, (i) Anita Jain; (ii) Charu Bansal (iii) Anju Gupta (iv) Shakuntla Goel (v) Manju Agarwal qualify as being members of the 'promoter group' of the Company.
 - iv. However, owing to lack of communication from each of aforementioned persons, the Company is unable to include the requisite information, confirmations/undertakings in respect of them in the DRHP.
3. Regulation 300 of the ICDR Regulations empowers the Board to relax strict enforcement of any requirement under the ICDR Regulations in case such requirements are procedural in nature or the non-compliance was caused due to factors beyond the control of the issuer.
 4. From the submissions of the Company, it is observed that while (i) Anita Jain; (ii) Charu Bansal (iii) Anju Gupta (iv) Shakuntla Goel (v) Manju Agarwal concerned relatives are not involved with the company in any manner or its business activities nor had any financial transactions with the company for the period from April 01, 2021 to March 03, 2024, they fall under the definition of promoter group under the ICDR Regulations.
 5. In terms of Regulation 2(1)(pp) of the ICDR Regulations, the term 'promoter group' has been defined to include "... (ii) an immediate relative of the promoter (i.e. any spouse of that person, or any parent, brother, sister or child of the person or of the spouse);"
 6. As per the above definition, immediate relatives of the promoter (including sister and sister of the spouse) fall under the 'promoter group' category. Hence, all aforementioned persons qualify to be part of the promoter group.
 7. Further, it is observed from the submissions that there is no other ground for seeking exemption except for inability to communicate with aforementioned persons to be a part of promoter group and the said grounds do not qualify under Regulation 300 of the ICDR Regulations.
 8. Based on the circumstances of the case and the facts represented by you, the Competent Authority has authorized that the communication be made to you stating that the exemption request of the Company cannot be acceded to.





9. You are, therefore, advised as under:

- i. To disclose (i) Anita Jain; (ii) Charu Bansal (iii) Anju Gupta (iv) Shakuntla Goel (v) Manju Agarwal and their connected entities as promoter group and inform them about such inclusion as a promoter group entity.
- ii. An appropriate Risk Factor shall be included in the issue documents with respect to the disclosures relating to promoter group.
- iii. Applicable disclosures, shall be made based on the information as available in the public domain.
- iv. Further, this letter along with all your aforementioned communications shall be part of material contracts and documents for inspection as disclosed in the offer documents.

10. The rejection is specific to the present case and shall not be treated as a precedent.

Yours faithfully,

Shivani Gupta