



BLUEBLOOD VENTURES LTD.

CIN : U70102DL2007PLC159680

To
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai-400001

Date: 29th July, 2016

Dear Sir

Sub: Submission of Additional documents for the remark raised for the proposed scheme of Arrangement (Demerger) of the Company with Devoted Construction Limited (Earlier known as Devoted Construction Private Limited)

Scrip Code: 539637

With reference to the documents submitted with BSE Limited at Listing portal dated 22nd July, 2016 and hard copy submitted with your good office dated 18th July, 2016 and remarks raised by your good office dated asking for the additional documents to be submitted at the portal for the scheme of Arrangement, (Demerger) between Blueblood Ventures Limited and its Wholly Owned Subsidiary "Devoted Construction Limited" (Resulting Company) and their respective shareholders.

With regard to the subject mentioned above, we hereby submit our point-wise response on the clarification sought by BSE.

- 1. Please clarify whether the resulting company will seek listing on the exchange. If yes, please submit the additional documents as required.**

Our Response: We have already submitted the same in hard copy and enclosing the same on BSE online portal.

- 2. Audited financials of the transferee/resulting and transferor/demerged companies for the last 3 financial years (financials not being more than 6 months old) as per Annexure I.**

Our Response: We have already submitted the Annual Report and Financials of Blueblood Ventures Limited for the last three years and also enclosed the same with the BSE online portal. Further Devoted Construction Limited is a newly incorporated Company dated 10th May, 2016.

- 3. Compliance Report as per as per Annexure II.**

Our Response: We have already submitted the same in hard copy and also enclosing the same with BSE online portal.



(Formerly known as BlueBlood Ventures Pvt. Ltd.)

(Formerly known as BlueBlood Equity Trading Pvt. Ltd.)

Registered Office : Room No. 101 (First Floor), P-27, Malviya Nagar (Main Market), New Delhi-110017

Ph.: 011-26671594-8, **Fax :** 011-46036471, **Mail :** info@bluebloodventure.com



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4. Please submit Complaint report as per Annexure III. (To be submitted within 7 days of expiry of 21 days from the date of filing of Draft Scheme).

Our Response: We undertake to submit the same with BSE online portal within the stipulated time period

5. Please add the details w.r.t the resulting company on the interface.

Our Response: We are submitting the same with BSE online portal.

6. Valuation report from Independent Chartered Accountant or any other authority as applicable as per Para 4 of SEBI Circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013.

Our Response: We would like to inform that as per SEBI Circular CIR/CFD/DIL/8/2013 dated May 21st, 2013 and CIR/CFD/CMD/16/2015 dated November 30th, 2015 clarification was there with respect to the submission of Valuation Report from Independent Chartered Accountant. As per point 4 b, c and d of the circular CIR/CFD/CMD/16/2015 dated November 30th, 2015 we would like to inform that there is no change in the shareholding pattern of the demerged company i.e. Blueblood Ventures Limited and resulting Company i.e. Devoted Construction Limited. Copy of the shareholding pattern in enclosed herewith. We would further like to state that

- There is no change in the proportion of shareholding of any of the existing shareholders of the listed entity in the resultant company; or
- No new shareholder being allotted equity shares of the resultant company; or
- existing shareholder exiting the company pursuant to the Scheme of Arrangement

Legal Opinion from M/s Khatan & Partner is attached for your ready reference regarding non applicability of Valuation Report.

7. Fairness opinion by merchant banker.

Our Response: We would like to inform that the resulting company is the mirror image of the demerged Company. Devoted Construction Limited (hereinafter referred to as "Resulting Company") is a public company incorporated under the provisions of the Companies Act 2013 which is primarily engaged in the business, inter alia, of real estate developers, contractors, colonizers, underwriters of commercial and residential properties, farm houses and industrial buildings. As on date, the Resulting Company is a wholly owned subsidiary of the Demerged Company. We would like to add that all the shareholders of the Demerged Company as on the Record Date shall become the shareholders of the Resulting Company by virtue of the Demerger and the transfer of the Demerged Undertaking shall be on a going concern basis.

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The Resulting Company will be a mirror image of the Company with the same shareholder and in the light of the above fair opinion in our case is not applicable. Legal opinion from Ms Khaitan & Partner is attached for your ready reference regarding non applicability of taking Fairness Opinion

8. Shareholding pattern for resulting company. Both Pre and Post.

Our Response: We have already submitted the same in hard copy and also enclosing the same with BSE online portal.

9. Confirmation by the Managing Director/ Company Secretary as per format enclosed as Annexure VII.

Our Response: We have already submitted the same in hard copy and also enclosing the same with BSE online portal.

We ardently trust that the information furnished above is in order for your expeditious processing. We shall be too glad to furnish any further information or clarification on hearing from you.

Thanking You

Yours Faithfully

For **Blueblood Ventures Limited**

Neha Gupta
Company Secretary

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QUERIST: Blueblood Ventures Limited

**RE: Valuation Report from Independent Chartered
Accountant and Fairness Opinion by the Merchant
Banker**



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Advocates
W-13, West Wing, Greater Kailash Part-II
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India**

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OPINION

1. BRIEF FACTS:

(As provided by the Querist)

1.1 BLUEBLOOD VENTURES LIMITED (hereinafter referred to as **“Demerged Company”**) is a Public Limited Company incorporated under the provisions of the Companies Act 1956 on 23rd Day of February, 2007 having its Registered Office at Room No 101, P-27 Malviya Nagar, New Delhi-110017. The equity shares of Demerged Company are listed on the BSE SME SEGMENT. The Demerged Company is authorised to and is primarily engaged in the business, *inter alia*, of :-

- (a) Investment Banking Activities like Venture Capitalist, Private Equity Investments, Trading on Stock and Commodity Exchange (collectively referred to as the *“Investment Banking Business”*);
- (b) Special purpose Acquisition Company (collectively referred to as the *“SPAC Business”*); and
- (c) Real Estate Development & Construction like FSI Trading, Acquiring & Trading in Development rights, underwriting Real Estate Projects (Collectively referred to as the **“Real Estate Business/Demerged Undertaking”**).



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1.2 DEVOTED CONSTRUCTION LIMITED (hereinafter referred to as “**Resulting Company**”) is a Public Limited Company incorporated under the provisions of the Companies Act 2013 on 10th Day of May, 2016 and having its Registered Office at P-27 Malviya Nagar, New Delhi-110017. The Resulting Company is authorised to and is primarily engaged in the business, *inter alia*, of real estate developers, contractors, colonizers, underwriters of commercial and residential properties, farm houses and industrial buildings. As on date, the Resulting Company is a wholly owned subsidiary of the Demerged Company.

1.3 A Scheme of Arrangement is proposed to be entered into between the Demerged Company and the Resulting Company for the demerger of the Demerged Undertaking of the Demerged Company into the Resulting Company, pursuant to provisions of Sections 391 to 394 of the Companies Act, 1956 (hereinafter referred to as “**Scheme**”).

1.4 Clause 10 of the Scheme states as under:-

“10. ISSUE AND ALLOTMENT OF SHARES/SHARE ENTITLEMENT RATIO

10.1 Upon the scheme becoming effective and in consideration of the demerger and hiving off including the transfer and vesting of the Demerged Undertaking in the Resulting company pursuant to provisions of this scheme, the Resulting company shall without any further act, deed, issue and allot to each member of the Demerged Company, whose name is recorded in the Register of members on



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the Record Date, in accordance with the terms of the scheme and without any further application , act, deed, payment, consent, acts, instrument or deed issue exactly the same quantity fully paid up equity shares of Rs 10 each held by such shareholder or his/her/its heirs, executors, administrators or successors in the Demerged Company. There is no change in shareholding pattern of Demerged Undertaking and Demerged Company. Every shareholder of Demerged Company will hold equal number of shares of the Demerged Undertaking.

10.2 Simultaneously with the issue and allotment of the new equity shares by the Resulting Company to the equity shareholders of the Demerged Company in accordance with Clause 10.1 of this scheme, in the books of the Resulting Company, all the equity shares issued by the Resulting Company to the Demerged Company shall stand cancelled, extinguished and annulled on and from the Effective Date

10.3 Share Entitlement Ratio adapted under the scheme is that, for every one share of Blueblood Ventures Limited, one share of Devoted Construction Limited will be issued. The scheme will result in mirror image of shareholders of Demerged Company (BVL) and Resulting Company (DCL). This has been considered by the Board of Directors of Demerged Company & Resulting Company.

.....”

- 1.5 As per the SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013, CIR/CFD/DIL/8/2013 dated May 21, 2013 and SEBI Circular No.



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CIR/CFD/CMD/16/2015 dated November 30, 2015 (hereinafter referred to as “**Circulars**”) all the Listed Companies desirous of undertaking a Scheme of Arrangement pursuant to the provisions of Sections 391 to 394 of the Companies Act, 1956 have to file the Draft Scheme with the relevant Stock Exchanges in terms of Clause 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 along with such other relevant documents as mentioned in the said Circulars.

- 1.6 Subsequently the Demerged Company being a Listed Company submitted the said draft Scheme to the BSE Limited being the “**Designated Stock Exchange**” on 20th July, 2016 in terms of Clause 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 along with all the relevant documents as mentioned in the said Circulars.
- 1.7 Designated Stock Exchange pursuant to the submission of the documents along with the draft Scheme by the Demerged Company, has further asked the Demerged company to provide with the following documents (1) Audited financials of the transferee/resulting and transferor/demerged companies for the last 3 financial years (financials not being more than 6 months old) as per Annexure I. (2) Compliance Report as per Annexure II. (3) Please submit Complaint report as per Annexure III. (To be submitted within 7 days of expiry of 21 days from the date of filing of Draft Scheme). (4) Please add the details w.r.t the resulting company on the interface. (5) Valuation report from Independent Chartered Accountant or any other authority as applicable as per Para 4 of SEBI Circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013. (6) Fairness opinion by merchant banker. (7) shareholding pattern for resulting company. Both Pre



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and Post. (8) Confirmation by the Managing Director/Company Secretary as per format enclosed as Annexure VII.

2. RELEVANT PROVISIONS OF LAW:

2.1 SEBI Circular No. CIR/CFD/DIL/8/2013 Dated May 21, 2013

2.1.1 Para 4 of SEBI Circular No. CIR/CFD/DIL/8/2013 Dated May 21, 2013 states as under:-

“4. Requirement of submission of Valuation Report from Independent Chartered Accountant:

4.1. All listed companies undertaking a Scheme of Arrangement under Part IV and Chapter V of Part VI of the Companies Act, 1956, (Amalgamation/ Merger/ Reconstruction/ Reduction Of Capital, etc.) are required to submit a valuation report in terms of Para (I) (A) read with Part A, Annexure I of the SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013.

4.2. However, 'Valuation Report from an Independent Chartered Accountant' need not be required in cases where there is no change in the shareholding pattern of the listed company / resultant company.

4.3. For the limited purpose of this Circular, 'change in the shareholding pattern' shall mean;



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(a) change in the proportion of shareholding of any of the existing shareholders of the listed company in the resultant company; or

(b) new shareholder being allotted equity shares of the resultant company; or

(c) existing shareholder exiting the company pursuant to the Scheme of Arrangement

4.4. Further, a few examples meaning 'no change in shareholding pattern' are illustrated below:

i. In case a listed entity (say, “entity A”) demerges a unit and makes it a separate company (say, “entity B”);

a. if the shareholding of entity B is comprised only of the shareholders of entity A; and

b. if the shareholding pattern of entity B is the same as in entity A; and

c. every shareholder in entity B holds equity shares in the same proportion as held in entity A before the demerger. it will be treated as 'no change in shareholding pattern'.



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ii. In case a wholly-owned-subsubsidiary (say, "entity X") of a listed entity is merged with the parent listed company (say, "entity Y"), where the shareholders and the shareholding pattern of entity Y remains the same, it will be treated as 'no change in shareholding pattern'.

4.5. In all other cases, 'Valuation Report from an Independent Chartered Accountant' shall be required.

4.6. For the limited purpose of this Circular, 'resultant company' shall mean a company arising / remaining after the listed company undertakes a Scheme of Arrangement."

2.2 SEBI Circular No.CIR/CFD/CMD/16/2015 dated November 30, 2015

2.2.1 Para 4 of Annexure I of SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 states as under:-

"4. Valuation Report;

- (a) All listed entities are required to submit a valuation report.*
- (b) However, 'Valuation Report from an Independent Chartered Accountant' need not be required in cases where there is no change in the shareholding pattern of the listed entity / resultant company.*
- (c) For the limited purpose of this Circular, 'change in the shareholding pattern' shall mean;*
 - (i) change in the proportion of shareholding of any of the existing shareholders of the listed entity in the resultant company; or*



- (ii) *new shareholder being allotted equity shares of the resultant company; or*
- (iii) *existing shareholder exiting the company pursuant to the Scheme of Arrangement (d) Further, a few examples illustrating 'no change in shareholding pattern' are indicated below:*
 - (i) *In case a listed entity (say, "entity A") demerges a unit and makes it a separate company (say, "entity B"); 1) if the shareholding of entity B is comprised only of the shareholders of entity A; and 2) if the shareholding pattern of entity B is the same as in entity A; every shareholder in entity B holds equity shares in the same proportion as held in entity A before the demerger. It will be treated as 'no change in shareholding pattern'.*
 - (ii) *In case a wholly-owned-subsiidiary (say, "entity X") of a listed entity is merged with its parent listed company (say, "entity Y"), where the shareholders and the shareholding pattern of entity Y remains the same, it will be treated as 'no change in shareholding pattern'. For the limited purpose of this Circular, 'resultant company' shall mean a company arising / remaining after the listed company undertakes a Scheme of Arrangement.*
 - (e) *In all other cases, 'Valuation Report from an Independent Chartered Accountant' shall be required."*

3. QUERY:

- 3.1 Whether the Demerged Company is required to submit the Valuation Report from Independent Chartered Accountant or any other authority as per Para 4 of SEBI Circular No. CIR/CFD/DIL/8/2013 Dated May 21, 2013



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and Para 4 of Annexure I of SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 along with the Fairness Opinion by Merchant Banker on the said Valuation Report to the Designated Stock Exchange?

4. OPINION TO QUERY:

- 4.1 As per Para 4 of the SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013 and Para 4 of Annexure 1 of the SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 stated above all Listed Companies undertaking a Scheme of Arrangement under Section 391-394 Companies Act, 1956, are required to submit a Valuation Report from an Independent Chartered Accountant. However, the Valuation Report from an Independent Chartered Accountant need not be required in cases where there is no change in the shareholding pattern of the listed company / resultant company.
- 4.2 Further Para 4 of the SEBI Circular No. CIR/CFD/DIL/8/2013 Dated May 21, 2013, and Para 4 of Annexure 1 of the SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 states a few examples regarding no change in shareholding pattern,, for example in case a listed entity (say, “entity A”) demerges a unit and makes it a separate company (say, “entity B”), every shareholder in entity B holds equity shares in the same proportion as held in entity A before the demerger, it will be treated as no change in shareholding pattern.
- 4.3 Provided further as per the clause 10 of the Scheme as enumerated above Resulting Company shall issue exactly the same quantity fully paid up



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equity shares of Rs 10 each held by such shareholder or his/her/its heirs, executors, administrators or successors in the Demerged Company, hence, there is no change in shareholding pattern of Demerged Undertaking and Demerged Company. Every shareholder of Demerged Company will hold equal number of shares of the Demerged Undertaking. Therefore, the Demerged Company is not required to submit the Valuation Report from Independent Chartered Accountant or any other authority in terms of Para 4 of the SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013 and Para 4 of Annexure I of SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 to the Designated Stock Exchange.

- 4.4 As the Demerged Company is not required to submit the Valuation Report from Independent Chartered Accountant or any other authority, then the Demerged Company is not required to submit the Fairness Opinion along with the Valuation Report on such Valuation Report to the Designated Stock Exchange.

Yours faithfully,
For KHAITAN & PARTNERS

(SANIKA MEHRA)

Dated: 29th July, 2016

DISCLAIMER:

Our conclusions are based on the completeness and accuracy of the facts and assumptions provided to us. If any of these facts and assumptions are not entirely complete or accurate, it is imperative that we are informed immediately, as the inaccuracy or incompleteness could have a material effect on our conclusions.

The views expressed herein are not binding on any authority or Court, and hence, no assurance is given that a position contrary to opinion expressed herein, will not be asserted by any authority and/or sustained by an appellate authority or a Court of law.