



भारतीय प्रतिभूति
और विनियम बोर्ड
Securities and Exchange
Board of India

General Manager
Corporation Finance Department
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CFD/PM/PHV/OW/23525/2016
August 23, 2016

Smt. Haritha Varanasi
Krebs Biochemicals & Industries Limited
8-2-577/B, Plot No. 34, 3rd Floor,
Mass Heights, Road No. 8,
Banjara Hills, Hyderabad - 500034

Dear Madam,

**Sub: Request for informal guidance under the SEBI (Informal Guidance) Scheme, 2003
in the matter of Krebs Biochemicals & Industries Limited on Regulation 31A of
SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015**

1. This has reference to your letter dated July 18, 2016 on the captioned subject.
2. You have, inter alia, represented as follows-
 - a. Krebs Biochemicals & Industries Limited (KBIL) ("Company") is engaged in the manufacturing and marketing of fermentation based biotech APIs with its manufacturing facilities situated at Vishakapatnam and Nellore in the state of Andhra Pradesh. The company went public in the year 1994 and its shares listed on BSE Limited and the National Stock Exchange of India Limited.
 - b. The company has received requests from the below mentioned members belonging to the promoter group for re-classification from promoter to public category.

S.No	Name of the promoter	No. Of shares held
1.	Jawaharlal Jasti	Nil
2.	Mohammad Vahidullah	Nil
3.	Talasila Vijayalakshmi	Nil
4.	Sunkara Hari Rangarao	Nil
5.	Sunkara Lakshmi Parvati	Nil
6.	Sambasiva Rao Ravi	Nil

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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

SEBI Bhavan, Plot No. C4-A, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.

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c. The list of promoters as on 18th June, 2016 is as below:

S.No	Name of the promoter	No. Of shares held
1.	Dr Ravindranath Tagore Ravi	198416
2.	Avinash Ravi	1589505
3.	Hemalata Ravi	2224400
4.	Aditya Ravi	8820
5.	Ajay Ravi	93300
6.	Ipca Laboratories Limited	4100100
7.	Jawaharlal Jasthi	Nil
8.	Mohammad Vahidullah	Nil
9.	Talasila Vijayalakshmi	Nil
10.	Sunkara Hari Ranga Rao	Nil
11.	Sunkara Lakshmi Parvati	Nil
12.	Sambasiva Rao Ravi	Nil

After the proposed re-classification, the following would be the promoters of the company.

S.No	Name of the promoter	No. Of shares
1.	Dr Ravindranath Tagore Ravi	198416
2.	Avinash Ravi	1589505
3.	Hemalata Ravi	2224400
4.	Aditya Ravi	8820
5.	Ajay Ravi	93300
6.	Ipca Laboratories Limited	4100100
	Total	8214541

d. The company is in process of making an application under Regulation 31A (2) & (3) of Listing Regulations, to BSE and NSE for the proposed re-classification of the said promoters mentioned in table at para (b) above, to public.

e. The company has sought clarity on the requirement of obtaining shareholders' approval for the reclassification. The company has opined that since the reclassification is not pursuant to Sub- regulation (5) and (6) of Regulation 31A of the Listing Regulations, approval of shareholders is not required.



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- f. The company has confirmed that the conditions under Sub-regulation 7 (a), (b) & (c) of Regulation 31A of the Listing Regulations are complied by the company. Company has also submitted that the said re-classification of promoters is not pursuant to Regulation 31A (5) or (6) of the Listing Regulations. Since the promoters mentioned in table at para (b) above are willing to exit the promoter group, the re-classification is being proposed. Further, the company has confirmed that the promoters mentioned in table at para (b) above are not holding any shares in the company and are not holding any control over the affairs and management of the company.
3. In view of the above, you have sought informal guidance in the form of an interpretative letter as to whether the company has to obtain the approval of the shareholders for proposed reclassification of some of the promoters.
4. We have considered the submissions made by you in your letter under reference. Without necessarily agreeing with your analysis, our view is that the company may not be required to obtain approval of the shareholders for the proposed reclassification. However, such reclassification may be allowed by the stock exchanges under Regulation 31A (2) and (3) of the Listing Regulations subject to compliance of Regulation 31A.
5. The above position is based on the information furnished in your letter under reference. Different facts or conditions might lead to a different result. Further, this letter does not express a decision of the Board on the questions referred.
6. You may also note that the above views are expressed only with respect to the clarification sought in your letter under reference with respect to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 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,

Prasanta Mahapatra