

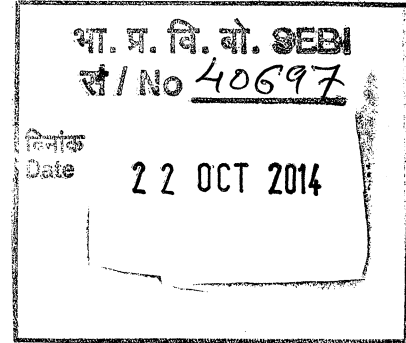
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Dr. Y. K. Hamied

Windsor Villa, 2nd Floor, Westfield Estate, Bhulabhai Desai Road, Mumbai 400 026

21st October, 2014

To
The Chief General Manager
Corporation Finance Department
Division of Corporate Restructuring
Securities & Exchange Board of India
SEBI Bhavan, Plot No. C4-A,
'G' Block Bandra Kurla Complex,
Bandra (East) Mumbai – 400 051



Dear Sir,

Re: Request for Informal Guidance by way of an interpretive letter under the SEBI (Informal Guidance) Scheme, 2003 ("Scheme"), in relation to a gift / transfer of shares of a promoter group company holding shares of Cipla Limited within immediate relatives

We submit the following facts for your consideration and your opinion, with respect to the provisions of regulations 3 and 5 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("SAST Regulations").

A. BACKGROUND

1. Cipla Limited ("**Cipla**" or "**the Company**") is a listed company *inter alia* engaged in the business of manufacture and marketing of pharmaceutical products.
2. The list of individuals / entities constituting the 'promoters' and 'the promoter group' (as defined in the SAST Regulations) is set out in **Schedule 1** written hereunder. Both myself and my wife Farida Hamied are shown, among others, as forming part of the 'promoters' and 'promoter group'. We are 'immediate relatives' as defined in Regulation 2(1) of the SAST Regulations.

3. In addition, among various other entities which form part of the 'promoter group', there is a company known as Alps Remedies Private Limited ("Alps") which holds shares of the Company both directly and indirectly. Alps currently directly owns 4,92,985 equity shares of the Company of face value Rs.2 each, which comprises approximately 0.06% of the total paid-up capital of the Company. Apart from this, Alps owns and holds a 50% interest in MN Rajkumar Garments LLP, which is a part of the 'promoter group' of the Company, and which currently owns and holds 26,01,852 equity shares of the Company of face value Rs.2 each, which comprises approximately 0.32% of the total paid-up capital of the Company.
4. The current shareholding pattern of Alps is set out in **Schedule 2** written hereunder. As of date, there are three shareholders of Alps, all of whom are shown and disclosed as forming part of the 'promoter group' of the Company. As a voluntary and consensual family arrangement, my wife Farida Hamied wishes to gift / transfer the shares she owns in Alps to me. There will be no change in shareholding of the other two shareholders of Alps, Mrs. Shirin Hamied and Hamsons Laboratories LLP, who will continue to hold and own their shares in Alps in the same manner as before. The shareholding pattern of Alps, both prior to and after the proposed transfer, is set out in **Schedule 2** written hereunder.
5. The aggregate shareholding and voting rights of the 'promoter' and 'promoter group' in the Company would not change on account of this proposed transfer (as set out in **Schedule 3**)

B. APPLICABLE REGULATIONS

B1. Exempt transfer under Regulation 10

1. The relevant extract of Regulation 10(1) of the SAST Regulations is as follows:

"10. (1) The following acquisitions shall be exempt from the obligation to make an open offer under regulation 3 and regulation 4 subject to fulfillment of the conditions stipulated therefor,—

(a) acquisition pursuant to inter se transfer of shares amongst qualifying persons, being,—

(i) immediate relatives;

(ii) persons named as promoters in the shareholding pattern filed by the target company in terms of the listing agreement or these regulations for not less than three years prior to the proposed acquisition;..."

2. Further, below are the relevant definitions as set out in Regulation 2 of the SAST Regulations:

“2. (1) In these regulations, unless the context otherwise requires, the terms defined herein shall bear the meanings assigned to them below, and their cognate expressions and variations shall be construed accordingly,—

(b) “acquisition” means, directly or indirectly, acquiring or agreeing to acquire shares or voting rights in, or control over, a target company;

(l) “immediate relative” means any spouse of a person, and includes parent, brother, sister or child of such person or of the spouse;

(v) “shares” means shares in the equity share capital of a target company carrying voting rights, and includes any security which entitles the holder thereof to exercise voting rights;

Explanation.— For the purpose of this clause shares will include all depository receipts carrying an entitlement to exercise voting rights in the target company;”

3. On a combined reading of Regulation 10(1)(a)(i), along with sub-regulations (b), (l) and (v) of Regulation 2 of the SAST Regulations, we understand that acquisition of shares of the Company *inter se* between promoters, being immediate relatives, whether directly or indirectly, would fall under the exemption provided under Regulation 10(1)(a)(i).
4. Thus, in the instant case, the transfer of shares of Alps (which in turn holds shares in the Company), from my wife to myself, *i.e.*, amongst ‘immediate relatives’ as defined under Regulation 2(l), would qualify as an ‘indirect’ acquisition of shares of the Company from immediate relatives and hence exempted under the provisions of Regulation 10(1)(a)(i) from the requirement of making a public offer in terms of Regulations 3 and 4 of the SAST Regulations.

B.2 No trigger of Takeover Code

5. The relevant extract of Regulation 5 of the SAST Regulations, which applies to indirect acquisition, is as follows:

“Indirect acquisition of shares or control

5(1) For the purposes of regulation 3 and regulation 4, acquisition of shares or voting rights in, or control over, any company or other entity, that would enable any person and persons acting in concert with him to exercise or direct the exercise of such percentage of voting rights in, or control over, a target company, the acquisition of which would otherwise attract the obligation to make a public announcement of an open offer for acquiring shares under these regulations, shall be considered as an indirect acquisition of shares or voting rights in, or control over the target company.”

6. Sub-regulation (3) of Regulation 3 of the SAST Regulations provides as follows:

“(3) For the purposes of sub-regulation (1) and sub-regulation (2), acquisition of shares by any person, such that the individual shareholding of such person acquiring shares exceeds the stipulated thresholds, shall also be attracting the obligation to make an open offer for acquiring shares of the target company irrespective of whether there is a change in the aggregate shareholding with persons acting in concert.”

7. Based on the provisions of regulations 3 and 5 of the SAST Regulations, we understand that a transfer of shares amongst persons falling within the definition of persons acting in concert (as is happening in the present case), which does not result in a change in the aggregate shareholding of such persons acting in concert (directly or indirectly) does not trigger the requirement of making an open offer under the provisions of the SAST Regulations, except as contemplated in sub-regulation (3) of regulation 3, *i.e.*, when the shareholding of an individual entity / person exceeds, individually, any of the thresholds specified in Regulations 3(1) and 3(2) of the SAST Regulations. Therefore, even independent of the availability of the exemption as set forth in B(1) above, it is submitted that the provisions of regulations 3 and 5 of the SAST Regulations are not triggered in the present fact scenario *inter alia* for the reasons mentioned below.
8. In the instant case, the transfer of shares will not result in my shareholding in the Company exceeding these threshold limits. Further, the composition of the board of directors of Alps is not being changed on account of this transfer, and there are no additional rights which are being provided account of this transfer. In any case, it may be noted that the proposed transfer would not have triggered the requirement to make an open offer even if it had been undertaken directly with respect to shares of the Company.

C. CLARIFICATIONS SOUGHT

Based on the above facts, we seek your interpretive letter with respect to:

1. Would the proposed transfer of shares of Alps (which holds shares in the Company) between immediate relatives as set out above and as set out in **Schedule 2** written hereunder impose an obligation to make an open offer pursuant to the provisions of the SAST Regulations; and
2. Would the proposed transfer of shares require notification under the provisions of Regulations 10(5), 10(6) and 10(7)?

D. REQUEST FOR CONFIDENTIALITY

Given the sensitivities involved in a transaction of this nature, we request you to keep this request and your response confidential and not be made available to the public. In the event the same is required to be made public, I request that the name of the Company, *i.e.*, Cipla Limited, and of Alps Remedies Private Limited and the individuals involved may be redacted and kept confidential.

If any additional information is required in relation to the opinion as sought above, we request you to kindly communicate at the following address:

C/o. Mr. M. K. Hamied
1/C, Somerset Place
Sophia College Lane
Bhulabhai Desai Road
Mumbai - 400026

We thank you in advance for your time in considering this application and look forward to hearing from you and receiving your interpretive letter in relation to the above.

Enclosed herewith is a demand draft bearing no. 182152 dated 9th October 2014 of Rs. 25,000/- drawn on State Bank of India, in your favour, towards the fees as specified under the Scheme.

Yours truly,



Dr. Y.K. Hamied

Encl: a/a

Schedule 1

Name of the persons / entities forming part of Promoter and Promoter Group of Cipla Limited	Number of Equity Shares owned	% shareholding of Cipla Limited
Promoters		
Dr. Y. K. Hamied /	124827750	15.55%
M. K. Hamied	39690000	4.94%
Promoter Group		
Farida Hamied /	41914937	5.22%
Sophie Ahmed	45982000	5.73%
Shirin Hamied	6363000	0.79%
Kamil Hamied	10939500	1.36%
Samina Hamied	9859500	1.23%
Rumana Hamied	9886500	1.23%
MN Rajkumar Garments LLP 50% interest	2601852	0.32%
Shree Riddhi Chemicals LLP	2434970	0.30%
Alps Remedies Private Limited →	492985	0.06%
Hamsons Laboratories LLP	492602	0.06%
Neo Research Labs Private Limited	382	0.00%
Total	295485978	36.80%

Schedule 2

Shareholding Pattern of Alps Remedies Private Limited

Name of the Shareholder	Pre Transfer		Post Transfer	
	Number of Equity Shares owned	% shareholding of Alps Remedies	Number of Equity Shares owned	% shareholding of Alps Remedies
(1) Farida Hamied	20070	99.36%	0	0%
(2) Shirin Hamied	50	0.24%	50	0.24%
(3) Hamsons Laboratories LLP	80	0.40%	80	0.40%
(4) Dr. Y. K. Hamied	0	0%	20070	99.36%
Total	20200	100%	20200	100%

Schedule 3

Name of the persons / entities forming part of Promoter and Promoter Group of Cipla Limited	Pre transfer		Post transfer	
	Number of Equity Shares owned	% shareholding of Cipla Limited	Number of Equity Shares owned	% shareholding of Cipla Limited
Promoters				
Dr. Y. K. Hamied	124827750	15.55%	124827750	15.55%
M. K. Hamied	39690000	4.94%	39690000	4.94%
Promoter Group				
Farida Hamied	41914937	5.22%	41914937	5.22%
Sophie Ahmed	45982000	5.73%	45982000	5.73%
Shirin Hamied	6363000	0.79%	6363000	0.79%
Kamil Hamied	10939500	1.36%	10939500	1.36%
Samina Hamied	9859500	1.23%	9859500	1.23%
Rumana Hamied	9886500	1.23%	9886500	1.23%
MN Rajkumar Garments LLP	2601852	0.32%	2601852	0.32%
Shree Riddhi Chemicals LLP	2434970	0.30%	2434970	0.30%
Alps Remedies Private Limited	492985	0.06%	492985	0.06%
Hamsons Laboratories LLP	492602	0.06%	492602	0.06%
Neo Research Labs Private Limited	382	0.00%	382	0.00%
Total	295485978	36.80%	295485978	36.80%