



DEPUTY GENERAL MANAGER
CORPORATION FINANCE DEPARTMENT
Phone no: 022-26449373

भारतीय प्रतिभूति
और विनिमय बोर्ड
**Securities and Exchange
Board of India**

CFD/PC/IG/CB/37826/14
December 31, 2014

M/s. Apricot Capital Private Limited
3rd floor, Bhukhanvala Chambers,
B-28, Veera industrial estate, Off Link road
Andheri (W)
Mumbai-400053

Dear Sir,

Sub: Request for "Interpretative Letter" under the SEBI (Informal Guidance) Scheme, 2003 {Scheme} by M/s. Apricot Capital Private Limited in the matter of M/s. Elder Pharmaceuticals Limited {Target Company} under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 {Takeover Regulations}.

1. This has reference to your letter dated November 21, 2014 on the captioned subject.
2. You have, *inter alia*, represented as follows-
 - a. M/s. Elder Pharmaceuticals Limited (herein after referred to as "Target Company") is listed on the National Stock Exchange and the Bombay Stock Exchange. The promoter shareholding in the company is 27.90% of the paid up share capital of the target company.
 - b. Semit Pharmaceuticals and Chemicals Limited (herein after referred to as "SPCL"), one of the promoters holds 7.55% of the paid up share capital of the target company and Indarts Exports Private Limited (herein after referred to as "IEPL") and holds 7.70% of the paid up share capital of the target company. The promoter group also includes Mr Alok Saxena and Dr Anuj Saxena who are brothers.
 - c. Apricot Capitals Private Limited (herein after referred to as "ACPL") is a private limited company whose paid up share capital is Rs. 1,00,000 and 50% of its shares are held by Mr Alok Saxena and 50% are held by Dr Anuj Saxena. Thus, ACPL forms part of the promoter group in terms of regulation 2(1)(s) of Takeover Regulations. However, ACPL does not hold any shares in the target company.

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- d. SPCL and IEPL are qualifying persons since they hold shares in the target company for a period of more than three years and are disclosed as promoters in the shareholding pattern of the target company for a period of more than three years.
 - e. It is proposed to transfer shareholding of SPCL and IEPL to Mr. Alok Saxena, Dr Anuj Saxena and ACPL by way of a gift. Pursuant to this transaction, there would be no change in the total promoter shareholding and thus, there would be no change in control over the target company.
 - f. It is further submitted by the applicant that as per his understanding, the condition of holding shares for a period of three years prior to the proposed acquisition would be deemed to be fulfilled in case the transferor or transferee collectively hold shares for a period of three years prior to the proposed acquisition subject to other conditions being fulfilled. In the instant case, Mr Alok Saxena and Dr Anuj Saxena , being one of the transferees are holding shares for last three years, it would be sufficient to qualify for exemption under regulation 10(1)(a)(ii) of Takeover Regulations even if the other transferee is not holding shares for such period.
3. In view of the above, you have sought interpretive guidance from SEBI on the following issue:

Whether the proposed transaction of transfer of shareholding of SPCL and IEPL to Mr. Alok Saxena, Dr Anuj Saxena and ACPL by way of a gift would qualify for an inter-se exemption in terms of Regulation 10(1)(a)(ii) of the Takeover Regulations.

4. We have considered the submission made by you in your letter under reference and without necessarily agreeing with your analysis; our views are as under:
- a. As per Regulation 10(1)(a)(ii) of the Takeover Regulations, one of the conditions for claiming exemption with regard to inter-se transfer of shares is that the transfer is among persons named as promoters in the shareholding pattern filed by the target company in terms of the listing agreement or Takeover Regulations for not less than three years prior to the proposed acquisition.
 - b. In the facts and circumstances as represented, we observe that Apricot Capitals Private Limited has not been named as promoter in the

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shareholding pattern filed by the company in terms of clause 35 of the Listing Agreement or Takeover Regulations. Hence, the exemption under regulation 10(1)(a)(ii) of Takeover Regulations will not extend to the proposed transfer.

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. Vide your letter dated November 21, 2014, you have requested for confidentiality in respect of your interpretative letter. Acceding to your request, it has been decided that the interpretative letter issued to you in this matter will not be made public for a period of 90 days from the date of issuance of this letter.
7. 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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 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,

Amit Tandon