



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

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

CFD/PC/IG/CB/3240/15
January 29, 2015

Dr Y K Hameid
C/o M/s CIPLA Limited
1/C, Somerset place
Sophia College Lane, Bhulabhai Desai Road
Mumbai-400026

Dear Sir,

Sub: Request for "Interpretative 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 {Target Company} under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 {Takeover Regulations}.

1. This has reference to your letter dated October 21, 2014 on the captioned subject.
2. You have, inter alia, represented as follows-
 - a. The target company is a listed company engaged in the business of manufacturing and marketing of pharmaceutical products.
 - b. Mr Y K Hamied and his wife, Ms Farida Hameid are part of the promoter group and are also immediate relatives as defined in Regulation 2(1) of Takeover Regulations.
 - c. Alps Remedies Private Limited ('Alps') directly owns 0.06% of shares in the target company and has 50% interest in MN Rajkumar Garments LLP, which owns 0.32% in the target company.
 - d. As of date, there are three shareholders of Alps. Ms Farida Hameid currently holds 99.36% of the equity share capital of Alps Remedies Private Limited.
 - e. As a voluntary and consensual family arrangement, Ms. Farida Hameid wishes to gift/transfer the shares she owns in Alps to Mr. Y K Hameid. This

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सेबी भवन, प्लॉट सं. सी 4-ए, "जी" ब्लॉक, बांद्रा कुर्ला कॉम्प्लेक्स, बांद्रा (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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will not result into any change in the shareholding of other two shareholders of Alps, who will continue to hold and own their shares in Alps in the same manner as before.

- f. The transfer of shares in the instant case, would qualify as an 'indirect' acquisition of shares of the Company from an immediate relative and would be exempt under the provisions of Regulation 10(1)(a)(i) of Takeover Regulations from making an open offer in terms of Regulations 3 and 4 of Takeover Regulations.
- g. Further, based on the provisions of regulation 3 and 5 of Takeover Regulations, a transfer of shares amongst the persons falling with the definition of persons acting in concert which does not result in change in the aggregate shareholding of such persons acting in concert does not trigger the requirement of making open offer under the provisions of Takeover regulations , except as contemplated in regulation 3(3) i.e. when the shareholding of an individual entity / person exceeds, individually, any of the thresholds specified in regulation 3(1) or 3(2) of Takeover Regulations. Therefore, the provisions of Regulations 3 and 5 of Takeover Regulations are not triggered.
3. In view of the above, you have sought interpretive letter from SEBI on the following :-
- a. Would the proposed transfer of shares of Alps between immediate relatives as set out above impose an obligation to make an open offer pursuant to the provisions of Takeover Regulations?;
- b. Would the proposed transfer of shares require notification under the provisions of Regulation 10(5), 10(6) and 10(7)?
4. We have considered the submission made by you in your letters under reference and without necessarily agreeing with your analysis, our views on the issues are as under.
- a. The proposed transfer of shareholding of Ms Farida Hameid to her husband, Mr Y K Hamied through a gift would result in increase in shareholding of Mr Y K Hamied to 15.93% of the paid up share capital in the target company.

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However, Mr Y K Hamied would not trigger open offer obligations individually since his shareholding post acquisition would be less than 25%. Further, it is observed that the holding of the acquirer along with PACs is not exceeding the creeping acquisition limit. Accordingly, the proposed transfer of shares would not impose an obligation to make an open offer under the Takeover regulations.

- b. Further, Alps is not in control of the target company. Thus, even if the shareholding of Alps Remedies Private limited undergo a change, there would be no change in control over the target company, either directly or indirectly.
 - c. Accordingly, the proposed acquisition would not require notification under the provisions of regulation 10(5), 10(6) and 10(7) of Takeover Regulations
5. Vide your letter dated October 21, 2014 and email dated November 27, 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.
6. 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.
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 & 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