DEPUTY GENERAL MANAGER
DIVISION OF CORPORATE RESTRUCTURING
CORPORATION FINANCE DEPARTMENT
Phone no: 022-26449302

भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

CFD/DCR2/OW/2016/15709
June 01, 2016

Sun Pharmaceutical Industries Limited
Sun House, Plot No. 201 B/1,
Western Express Highway, Goregaon (E),
Mumbai – 400 063

Dear Sir,

Sub: Request for "Interpretive Letter" under the SEBI (Informal Guidance) Scheme, 2003 {Scheme} in the matter of Zenotech Laboratories Limited {Target Company} under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 {Takeover Regulations}.

1. This has reference to your letter dated April 20, 2016.

2. You have, inter alia, represented as follows:

    a. The Target Company is listed on the Bombay Stock Exchange.

    b. As per the shareholding pattern filed by the Target Company for the quarter ended December 31, 2015, the promoters of the Target Company, namely Sun Pharmaceutical Industries Limited ("Sun Pharma") and Daiichi Sankyo Company Limited ("Daiichi"), hold 46.84% and 20% shares of the Target Company respectively.

    c. Daiichi was included as part of the promoter and promoter group of the Target Company for the first time in the shareholding pattern filed for the quarter ended December 31, 2010 and thus, Daiichi has been disclosed as part of the promoter and promoter group of the Target Company for more than 3 years.

    d. The erstwhile Ranbaxy Laboratories Limited ("Ranbaxy") was also included as part of the promoter and promoter group of the Target Company for the first time in the shareholding pattern filed for the quarter ended December 31, 2010 and it was disclosed as such for the last time in the shareholding pattern filed for the quarter ended December 31, 2014.

    e. Pursuant to the merger of Ranbaxy with Sun Pharma under a scheme of arrangement sanctioned by the Hon'ble High Court of Punjab and

VA
1/6/16

Haryana and the Hon'ble High Court of Gujarat being effective from the Appointed Dated April 1, 2014 and all the requisite approvals and sanctions for the said merger secured by March 24, 2015 being the Effective Date of merger, Ranbaxy was replaced by Sun Pharma as part of the promoter and promoter group of the Target Company in the shareholding pattern filed for the quarter ended March 31, 2015.

f. Sun Pharma is exploring a potential acquisition of 20% shares of the Target Company held by Daiichi by way of inter se transfer amongst promoters. However; as on date, no agreement or arrangement has been agreed between Sun Pharma and Daiichi for such inter se transfer.

3. In view of the above, you have sought interpretive guidance from SEBI on the following issue:

i. **Whether the exemption provided under regulation 10(1)(a)(ii) of the Takeover Regulations would be available to an inter se transfer of 20% shares of the Target Company between Sun Pharma and Daiichi, given the facts that:**

   a) **Ranbaxy was holding shares of the Target Company for more than 3 years;**
   b) **Pursuant to merger of Ranbaxy with Sun Pharma, Sun Pharma is the successor of Ranbaxy. Ranbaxy has been disclosed as a promoter of the Target Company from year 2010 till 2014 and Sun Pharma has been disclosed as a promoter of the Target Company since year 2015;**

   by considering the duration of holding of shares of the Target Company by Ranbaxy along with the duration of holding of shares of the Target Company by Sun Pharma (the successor of Ranbaxy);

ii. **Without prejudice to your response to the query no. (i) above, for the purpose of regulation 10(1)(a)(ii) of the Takeover Regulations, what would be considered as the period of holding of Sun Pharma in respect of 46.84% shares of the Target Company given the merger of Ranbaxy with Sun Pharma had become effective from April 1, 2014 being the Appointed Date, however the name of Sun Pharma as the promoter in the shareholding pattern filed by the Target Company was shown from the quarter ended March 31, 2015 after receipt of all requisite approvals?**

1/6/16

4. We have considered the submissions 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 pre-conditions for claiming exemption with regard to inter se transfer among promoters is that the entities claiming open offer exemption through inter se transfer of shares should have been named as promoters in the shareholding pattern filed by the target company in terms of the listing agreement or the Takeover Regulations for not less than three years prior to the proposed acquisition.

   b. In the instant case, as represented by you, Sun Pharma, the proposed transferee, was named as a promoter in the shareholding pattern filed by the Target Company only from the quarter ended March 31, 2015 and therefore, it was not named as a promoter in the shareholding pattern filed by the Target Company for a period of at least three years.

5. In the facts and circumstances as represented, the proposed transfer of shares from Daiichi to Sun Pharma would not be exempted under regulation 10(1)(a)(ii) of the Takeover Regulations. Further; for the purpose of regulation 10(1)(a)(ii) of the Takeover Regulations, the period of three years would be considered from the quarter ended March 31, 2015 in which Sun Pharma was disclosed in the shareholding pattern filed by the Target Company as a promoter of the Target Company for the first time.

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 the Takeover Regulations 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 sincerely,

V. Divyaveda

V. Divya Veda 1/6/16