

Date: 21st September, 2016

To,
Chief General Manager,
Corporate Finance Department,
Securities and Exchange Board of India,
Plot No. C4-A, G Block,
Bandra Kurla Complex, Bandra (E),
Mumbai – 400 051

Dear Sir,

Sub: Request for informal guidance by way of interpretive letter under the provisions of SEBI (Informal Guidance) Scheme, 2003, (“Scheme”) with regard to re-classification of promoters.

Ref: Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”).

We would like to submit following facts for your kind consideration and seek your guidance with respect to interpretation of Regulation 31A of SEBI LODR Regulations.

A. Background and Material Facts

1. Background of the Company:

Alembic Pharmaceuticals Limited (“APL” or the “Company”) was incorporated on 16/06/2010, under the provisions of the Companies Act, 1956. The Company was incorporated pursuant to the Demerger of the Pharmaceuticals Undertaking of the 109 year old Alembic Limited, approved by the Hon’ble High Court of Gujarat vide its order dated 24th January, 2011. The Company is engaged in the business of manufacturing pharmaceuticals products with its manufacturing facilities situated in the State of Gujarat, Himachal Pradesh and Sikkim.

The equity shares of the Company are listed on BSE Limited (“BSE”) and the National Stock Exchange of India Limited (“NSE”).

2. Promoters and Promoter Group of the Company and their shareholding:

The name of shareholders of the Company classified under the promoters and promoter group category and their shareholding as on 16th September, 2016 is as below:

(Table - I)

Sr. No.	Name of the shareholders classified under Promoters and Promoter Group category	No. of Equity Shares held	% of Shareholding
1	Chirayu Ramanbhai Amin*	4521465	2.40
2	Malika Chirayu Amin*	3005730	1.59
3	Yeraben Ramanbhai Amin	1080915	0.57
4	Pranav Chirayu Amin	1009800	0.54
5	Shaunak Chirayu Amin*	1006980	0.53
6	Udit Chirayu Amin	1006980	0.53
7	Ninochaka A Kothari	632900	0.34
8	Jyoti Suresh Patel*	487800	0.26
9	Shreya Rupendra Mukharji	339860	0.18
10	Anup N Kothari	190000	0.10
11	Inaaya Shaunak Amin	30000	0.02
12	Naintara Shaunak Amin	30000	0.02
13	Ranvir Pranav Amin	30000	0.02
14	Samira Pranav Amin	30000	0.02
15	Alembic Limited	55000000	29.18
16	Shreno Ltd.	18368780	9.74
17	Whitefield Chemtech Private Ltd.	18285230	9.70
18	Sierra Investments Pvt. Ltd.*	17167670	9.11
19	Nirayu Pvt. Limited	16213755	8.60
20	Vidyanidhi Trust	809550	0.43
21	Arogyavardhini Society	280950	0.15
22	Utkarsh Vidyakendra	146250	0.08
23	Ujjwal Vidyalaya	62250	0.03
24	Viramya Packlight Ltd.	900	0.00
25	Paushak Limited	855	0.00
	TOTAL	139738620	74.13

* Holding equity shares in different folios/demat accounts due to their different joint holdings.

3. The below mentioned shareholders belonging to the promoter group have expressed their desire for re-classification of their shareholding in the Company from promoter group to public category:

(Table - II)

Sr. No.	Name of applicants classified under Promoter Group category	No. of Equity Shares held	% of Shareholding
1	Jyoti Suresh Patel*	487800	0.26
2	Anup N Kothari	190000	0.10
3	Ninochaka A Kothari	632900	0.34
4	Shreya Rupendra Mukharji	339860	0.18
5	Yeraben Ramanbhai Amin	1080915	0.57
	TOTAL	2731475	1.45

* Holding equity shares in different folios/demat accounts due to their different joint holdings.

Ms. Jyoti Suresh Patel (aged 79 years), Ms. Ninochaka A. Kothari (aged 72 years), Ms. Shreya Rupendra Mukharji (aged 67 years) and Ms. Yeraben Ramanbhai Amin (aged 64 years) are the sisters of the Mr. Chirayu R. Amin, Promoter, Chairman and CEO of the Company (“**Mr. Chirayu Amin**”) and hold equity shares in the Company as stated in Table II above. Mr. Anup N. Kothari (aged 77 years) is the spouse of Ms. Ninochaka A. Kothari and hold equity shares in the Company as stated in Table II above.

The aforesaid shareholders who are relatives of Mr. Chirayu Amin are leading their lives and occupations independently and are not connected, directly or indirectly, whatsoever, with any activity of the Company. Further, the other persons in the promoter group of the Company do not have any control over the affairs or the decision making process of these above referred relatives of Mr. Chirayu Amin.

The above referred relatives of Mr. Chirayu Amin do not directly or indirectly, exercise control, over the affairs of the Company. They have also never held at any time; any position of key managerial personnel in the Company. They also do not have any special rights through formal or informal arrangements with the Company or promoters or any person in the promoter group. They would also never be privy to any price sensitive information of the Company.

- After the proposed re-classification, the following would be the promoters and promoter group of the Company and their shareholding in the Company shall be as follows:

(Table - III)

Sr. No.	Name of the shareholders classified under Promoter and Promoter Group category	No. of Equity Shares held	% of Shareholding
1	Chirayu Ramanbhai Amin*	4521465	2.40
2	Malika Chirayu Amin*	3005730	1.59
3	Pranav Chirayu Amin	1009800	0.54
4	Shaunak Chirayu Amin*	1006980	0.53

5	Udit Chirayu Amin	1006980	0.53
6	Inaaya Shaunak Amin	30000	0.02
7	Naintara Shaunak Amin	30000	0.02
8	Ranvir Pranav Amin	30000	0.02
9	Samira Pranav Amin	30000	0.02
10	Alembic Limited	55000000	29.18
11	Shreno Ltd.	18368780	9.74
12	Whitefield Chemtech Private Ltd.	18285230	9.70
13	Sierra Investments Pvt. Ltd.*	17167670	9.11
14	Nirayu Pvt. Limited	16213755	8.60
15	Vidyanidhi Trust	809550	0.43
16	Arogyavardhini Society	280950	0.15
17	Utkarsh Vidyakendra	146250	0.08
18	Ujjwal Vidyalaya	62250	0.03
19	Viramya Packlight Ltd.	900	0.00
20	Paushak Limited	855	0.00
	TOTAL	137007145	72.68

* Holding equity shares in different folios/demat accounts due to their different joint holdings.

B. Relevant provisions of SEBI LODR Regulations

- Regulation 31A(2)** *“The stock exchange, specified in sub-regulation (1), shall allow modification or reclassification of the status of the shareholders, only upon receipt of a request from the concerned listed entity or the concerned shareholders along with all relevant evidence and on being satisfied with the compliance of conditions mentioned in this regulation”.*
- Regulation 31A(3)** *“In case of entities listed on more than one stock exchange, the concerned stock exchanges shall jointly decide on the application of the entity/ shareholders, as specified in sub-regulation(2)”.*
- Regulation 31A(5)** *“When a new promoter replaces the previous promoter subsequent to an open offer or in any other manner, re-classification may be permitted subject to approval of shareholders in the general meeting and compliance of the following conditions:*
 - (a) Such promoter along with the promoter group and the Persons Acting in Concert shall not hold more than ten per cent of the paid-up equity capital of the entity.*
 - (b) Such promoter shall not continue to have any special rights through formal or informal arrangements. All shareholding agreements granting special rights to such entities shall be terminated.*
 - (c) Such promoters and their relatives shall not act as key managerial person for a period of more than three years from the date of shareholders' approval: Provided that the resolution of the said shareholders' meeting must specifically grant approval for such promoter to act as key managerial person”.*

- 5. Regulation 31A(6)** *“Where an entity becomes professionally managed and does not have any identifiable promoter the existing promoters may be re-classified as public shareholders subject to approval of the shareholders in a general meeting.*

Explanation.- For the purposes of this sub-regulation an entity may be considered as professionally managed, if-

(i) No person or group along with persons acting in concert taken together shall hold more than one per cent paid-up equity capital of the entity including any holding of convertibles/outstanding warrants/ Depository Receipts:

Provided that any mutual fund, bank, insurance company, financial institution, foreign portfolio investor may individually hold up to ten per cent paid-up equity capital of the entity including any holding of convertibles/outstanding warrants/Depository Receipts.

(ii) The promoters seeking reclassification and their relatives may act as key managerial personnel in the entity only subject to shareholders’ approval and for a period not exceeding three years from the date of shareholders’ approval.

(iii) The promoter seeking reclassification along with his promoter group entities and the persons acting in concert shall not have any special right through formal or informal arrangements. All shareholding agreements granting special rights to such outgoing entities shall be terminated”.

- 6. Regulation 31(A)(7)** *Without prejudice to sub-regulations (5) and (6), re-classification of promoter as public shareholders shall be subject to the following conditions:*

(a) Such promoter shall not, directly or indirectly, exercise control, over the affairs of the entity.

(b) Increase in the level of public shareholding pursuant to re-classification of promoter shall not be counted towards achieving compliance with minimum public shareholding requirement under rule 19A of the Securities Contracts (Regulation) Rules, 1957, and the provisions of these regulations.

(c) The event of re-classification shall be disclosed to the stock exchanges as a material event in accordance with the provisions of these regulations”.

C. Submissions by the Company

1. The Company is in the process of making an application under Regulation 31A (2) & (3) of SEBI LODR Regulations, to BSE and NSE for the proposed re-classification of shareholding of the said shareholders classified under the category of promoter group as mentioned in Table II provided at point A. 3 above, to public category.

The conditions under sub-regulation 7 (a), (b) & (c) of Regulation 31A of the SEBI LODR Regulations are complied by the Company.

2. We herewith submit that the said re-classification of the shareholding of the promoter group mentioned in Table II is not pursuant to Regulation 31A (5) or (6) of the SEBI LODR Regulations. Since the promoter group mentioned in Table II at point A. 3 as provided above, intend to reclassify themselves as public shareholders for the reasons mentioned in point A. 3 above, the re-classification is being proposed.
3. We also submit that the promoter group mentioned in Table II of point A. 3 provided above, are holding equity shares only 1.45 percent of the paid-up share capital and are also not holding any control over the affairs and management of the Company.
4. However, clarity on the requirement of obtaining shareholders' approval for the re-classification is needed.

numble Submission
In our opinion, since the re-classification is not pursuant to sub-regulation (5) and (6) of the Regulation 31A of SEBI LODR Regulations, approval of shareholders is not required.

D. Query

1. In light of the above mentioned background, material facts, relevant regulatory provisions and submissions, we hereby request you to provide us an "informal guidance" as to whether the approval of the shareholders may be dispensed with as it is not required and the Company may approach the Stock Exchanges directly for permission under Regulation 31A (2) & (3) of SEBI LODR Regulations.

We are enclosing herewith a Demand Draft no. 231297 dated 21st September, 2016 of Rs. 25,000/- (Twenty Five Thousand only) in favour of "Securities and Exchange Board of India" drawn on HDFC Bank towards fees for obtaining informal guidance as specified under clause 6 (ii) of the Scheme.

Your early response to our request will be highly appreciated.

Thanking you,

Yours faithfully,

For Alembic Pharmaceuticals Limited

R. K. Baheti
R. K. Baheti

Director - Finance & CFO