

FOR ATTENTION OF THE SHAREHOLDERS OF ALEMBIC LIMITED

The Hon'ble National Company Law Tribunal, Ahmedabad Bench has vide its order dated 26th July, 2019 sanctioned the Composite Scheme of Arrangement between Alembic Limited ('First Demerged Company' or 'Alembic') and Shreno Limited ('First Transferee Company' or 'Second Demerged Company' or 'Shreno') and Nirayu Private Limited ('Second Transferee Company' or 'Nirayu') and their respective shareholders ('Scheme') under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

In terms of the Scheme, the Demerged Undertaking 1 of Alembic Limited has been demerged and stands transferred and vested in Shreno Limited, on a going concern basis.

On 10th September, 2019, Shreno Limited has allotted 1 (One) 7% Non-Convertible Cumulative Redeemable Preference Share (7% NCRPS) of Rs. 2/- (Rupees Two Only) each at a premium of Rs. 14.50/- per share for every 1 (One) equity share of Rs. 2/- (Rupees Two Only) each held by shareholders of the Alembic Limited as on record date fixed for the purpose i.e. 27th August, 2019 pursuant to the Scheme.

For the purpose of determining the post demerger cost of acquisition of the equity shares of Alembic Limited and the cost of 7% NCRPS of Shreno Limited under the Income Tax Act, 1961, the shareholders are advised to apportion their pre-demerger cost of acquisition of Alembic Limited's equity shares in the following manner:

Name of the Company	% of Cost of Acquisition of Alembic Limited's equity shares
Towards Equity Shares of Alembic Limited	98.84 %
Towards 7% NCRPS of Shreno Limited	1.16 %

Accordingly, the cost of acquisition of 7% NCRPS allotted in Shreno Limited will be 1.16 % of the total cost of acquisition of the Equity Shares held in Alembic Limited, prior to the demerger. The same is based on "net book value" of the assets of the demerged undertaking to the "net worth" of Alembic Limited. This is based on the certificate obtained from M/s. Dhruv A & Co., Chartered Accountants.

Further, according to the provisions of Section 47(vii) of the Income Tax Act, 1961, the issue of 7% NCRPS by Shreno Limited pursuant to the Scheme, to the equity shareholders of the Alembic Limited in consideration of the transfer and vesting of the Demerged Undertaking 1 will not be regarded as transfer.

This communication is merely for the general guidance of the shareholders and should not be considered as a substitute for any independent opinion that the shareholders may obtain. Alembic Limited takes no express or implied liability in relation to this guidance.



ALEMBIC LIMITED