

Date: 14th August, 2019

To,
The Manager,
Listing Department,
National Stock Exchange of India Ltd
'Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai

Dear Sir/Madam,

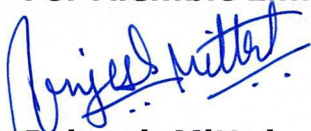
Sub: Rational for the Scheme

With reference to your email, please find below the rationale for the Scheme:

- i. Unlocking of value and creation of additional liquidity for the shareholders of Alembic, the First Demerged Company and Shreno, the Second Demerged Company, which is currently embedded in the value of Alembic, the First Demerged Company and Shreno, the Second Demerged Company, respectively;
- ii. Elimination of inter-company cross holdings;
- iii. Improved business efficiencies with transfer of project management and consultancy business, services of which are, inter alia, being provided by Alembic, the First Demerged Company to the First Transferee Company;
- iv. Achieve cost optimization and specialization for sustained growth;
- v. Enhancing operational efficiencies, ensuring synergies through pooling of the financial, managerial, and technical resources, personnel capabilities, skills, expertise and technologies; and
- vi. Enhancing shareholder value by creating leaner and focused organizations.

Thanking you.

Yours faithfully,
For Alembic Limited



Drigesh Mittal
Company Secretary



ALEMBIC LIMITED