

FOR THE ATTENTION OF COMPANY'S SHAREHOLDERS

The Hon'ble High Court of Gujarat had by its Order issued on January 24, 2011 sanctioned the Scheme of Arrangement under Section 391 and 394 of the Companies Act, 1956 for demerger and transfer of the Pharmaceutical Undertaking of Alembic Limited ('AL'), the Demerged Company to Alembic Pharmaceuticals Limited, ('APL')(erstwhile Alembic Pharma Limited), the Resulting Company.

In terms of the above Scheme, 1(one) Equity Share of Rs.2/- each of APL has been issued for every 1(one) Equity Share of Rs.2/- each of AL as on Record Date fixed for the purpose.

The Record Date for the issue of APL shares was April 14, 2011.

In terms of the Scheme of Arrangement, the assets and liabilities relatable to the Demerged Undertaking at values as appearing in the Books of Accounts of AL as on closure of March 31, 2010, have been transferred to the Resulting Company (APL) on the effective date, i.e., April 1, 2011.

This intimation is issued to inform the shareholders, the method of calculation of the Cost of Acquisition and Date of Acquisition of the Resulting Company's equity shares and also the Cost of Acquisition of AL equity shares as per the provisions of the Income Tax Act, 1961, and is based on expert's opinion.

For the purpose of determining the post demerger Cost of Acquisition of Equity Shares of AL and APL, the Resulting Company under section 49(2C) and 49(2D) of the Income Tax Act, 1961, the shareholders are advised to apportion their pre-demerger cost of acquisition of AL shares in the following manner:

Name of Company	Deemed Cost of Acquisition
Alembic Limited	32.28% of cost of acquisition of AL shares
Alembic Pharmaceuticals Limited	67.72% of cost of acquisition of AL shares
Total	100%

The Company has been advised that as per section 47(vii) of the Income Tax Act, 1961, the issue of shares by the Resulting Company (APL) in a scheme of demerger to the shareholders of the Demerged Company (AL) in consideration of demerger of the undertaking, will not be regarded as transfer. Also the Date of Acquisition of shares of APL will be deemed to be the date when the equity shares of the Company (AL) were acquired.

This communication is for the benefit of the shareholders and the Company takes no express or implied liability in providing this guidance.

For **Alembic Limited**

Sanjay Bhatt

Company Secretary

Date : 15/04/2011

Place : Vadodara