

Alembic Limited

September 18, 2018

Summary of Rated Instruments:

Instrument	Rated Amount (Rs. crore)	Rating Outstanding
Long-term, Fund-based Facilities	14.0	[ICRA]A-&; placed on watch with developing implications
Long-term, Fund-based / Non-fund Based Facilities	33.0	[ICRA]A-&; placed on watch with developing implications
Short-term, Non-fund Based Facilities	3.0	[ICRA]A2+&; placed on watch with developing implications
Short-term, Fund-based Facilities^	(20.0)	[ICRA]A2+&; placed on watch with developing implications
Total	50.0^	

^Total utilisation of long-term / short-term, fund-based / non-fund based facilities should not exceed Rs. 50.0 crore

Material Event

On September 11, 2018, Alembic Limited announced the approval of its Board of Directors for the demerger of the identified real estate undertaking of the company into Shreno Limited, an unlisted public limited company. The identified real estate undertaking would comprise a premium residential real estate project, interest in real estate business held through investment in Shreno Limited and the project management consultancy business, services of which are provided by the company to Shreno Limited. The proposed demerger is subject to execution of finalisation and approval of the draft Scheme of Arrangement.

Impact of the Material Event

Currently, there is no clarity on the proportion of the real estate business to be demerged from Alembic. ICRA is in discussions with the company's management to understand the impact of the proposed transaction on its business and financial profile, before concluding the ratings.

The previous detailed rating rationale is available on the following link: [Click here](#)

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