



CS/BSE/NSE/2019-2020  
January 21, 2020

**To**  
**The General Manager**  
**Department of Corporate Services**  
**BSE Limited**  
**25th Floor, P. J. Towers,**  
**Dalal Street, Mumbai - 400 001**

**To**  
**The Manager**  
**Listing Department**  
**National Stock Exchange of India Limited**  
**Exchange Plaza, Bandra Kurla Complex**  
**Bandra (E), Mumbai – 400 051**

**Scrip Code: 530239**

**Scrip Symbol: SUVEN**

Dear Sir/Madam,

**Sub: Cost of Acquisition - Post Demerger - Suven Life Sciences Ltd**

.....

Please find enclosed herewith communication being issued for general guidance of shareholders of the Company in relation to apportionment of the cost of acquisition of shares of Suven Life Sciences Limited and Suven Pharmaceuticals Limited as per the provisions of the Income Tax Act, 1961.

Please take note of the above information on your record.

Thanking You,  
Yours faithfully,  
For **Suven Life Sciences Limited**

  
**Shrenik Soni**  
Company Secretary

Encl: as above

## Suven Life Sciences Limited

Registered Office: 8-2-334 | SDE Serene Chambers | 6th Floor Road No.5 | Avenue 7  
Banjara Hills | Hyderabad – 500 034 | Telangana | India | CIN: L24110TG1989PLC009713  
Tel: 91 40 2354 1142/ 3311/ 3315 Fax: 91 40 2354 1152 Email: [info@suven.com](mailto:info@suven.com) website: [www.suven.com](http://www.suven.com)

**FOR ATTENTION OF THE SHAREHOLDERS OF SUVEN LIFE SCIENCES LIMITED**

21 January 2020

Dear Shareholder(s)

The Scheme of Arrangement (Demerger) (“Scheme”) between the Company (“Demerged Company/ SLSL”) and Seven Pharmaceuticals Limited (“Resulting Company”/“SPL”) and their respective Shareholders and creditors under Sections 230 to 232 read along with section 66 of the Companies Act, 2013 was sanctioned by the National Company Law Tribunal, Hyderabad Bench vide its Order dated 6<sup>th</sup> January 2020. The effective date of the Scheme is 9<sup>th</sup> January 2020. The Scheme inter alia provided for the vesting of the Contract Research and Manufacturing Services (“CRAMS”) Undertaking of the Company in SPL on a going concern basis with effect from the Appointed Date of 1<sup>st</sup> October 2018.

The Scheme inter alia provided for issue of equity shares of SPL to the shareholders of the Company. For the said purpose, the Company had fixed 22<sup>nd</sup> January 2020 as the ‘Record Date’ for determining its shareholders eligible to receive shares of SPL. The shareholders of the Company (who are shareholders as on the Record Date) will receive 1 (one) fully paid up equity share of INR 1 (one) each for every 1 (one) fully paid up equity share of INR 1 (one) each held by such shareholder in this Company. SPL will also be applying to the Stock Exchanges (BSE and NSE), for listing of the shares.

Kindly note that this communication is issued for your general guidance as a shareholder of this Company for computing the proportionate cost of acquisition of the equity shares of SPL vis-à-vis- the cost of acquisition of the original equity shares of this Company (SLSL) for the purpose of computing the capital gain/loss as per the provisions of the Income-tax Act, 1961 (“the Act”) arising upon sale of the equity shares.

The Scheme has fulfilled the provisions of section 2(19AA) of the Act and hence, the demerger is in compliance with the provisions of the Act. Under section 47(vii) of the Act, the issue of shares by SPL as the Resulting Company to the shareholders of the Company pursuant to the Scheme is not a transfer and hence, not taxable in the hands of the shareholders.

In terms of Section 49(2C) of the Act, the cost of acquisition of the shares of SPL (Resulting Company) is to be computed by applying the proportion of the net book value of the assets of the Demerged Undertaking (CRAMS Business Undertaking) to the net worth of the Company immediately before the demerger. Accordingly, under Section 49(2D) of the Act, the cost of acquisition of the shares of the Company shall be the original cost of acquisition

**Suven Life Sciences Limited**

as reduced by the cost of acquisition ascertained for the shares of the Resulting Company under Section 49(2C) of the Act. The aforesaid ratio may also be applicable in case of operation of provisions of Section 112A and Section 55(2)(ac) of the Act.

In view of the above, shareholders of the Company are hereby advised to apportion their pre-demerger/original cost of acquisition in shares of this Company in the following manner:

Name of the Company	% of the original cost of shares of the Company
Suven Life Sciences Limited (Demerged Company)	47.54%
Suven Pharmaceuticals Limited (Resulting Company)	52.46%
<b>Total</b>	<b>100.00%</b>

Further, in respect of the equity shares issued by SPL, the date of acquisition of such equity shares for computing capital gain/loss in the hands of the shareholder, as and when the shares are sold, will be the date of acquisition of the original shares of this Company (SLSL) as per Clause (g) in explanation 1 to Section 2(42A) of the Act. The issue of shares by SPL is also not subject to tax in the hands of the shareholders under the provisions of Section 56(2)(x) of the Act (as amended by the Finance Act, 2017).

Thanking you,

Yours faithfully,

**For Suven Life Sciences Limited**



**Shrenik Soni**

Company Secretary

**Note: This letter is only for general guidance of shareholders and does not constitute any independent or expert opinion which the shareholder may prefer to take separately. The concerned regulatory authority including tax authorities may take a different view from the guidance provided above. No express or implied liability or responsibility for the above guidance will be taken by the Company. In case there is any change in the applicable law with retrospective effect, then the guidance above would have to be re-evaluated taking into consideration of such change/s in the applicable law. The Company does not take any responsibility for updating this communication at any point of time in the future.**

## Suven Life Sciences Limited