



Alembic Limited

Registered Office: Alembic Limited, Alembic Road, Vadodara - 390 003

Website: www.alembic-india.com

DISCLOSURES UNDER SCHEDULE I OF SEBI (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008

Issue:

Private Placement of Secured Redeemable Non-Convertible Debentures of the face value of Rs.10,00,000/- each, aggregating to Rs.50 Crore.

Rating:

AA- assigned by CRISIL, indicating the adequate-credit-quality on long term scale.

Listing:

The debentures are proposed to be listed on WDM segment of BSE.

Trustee:

IDBI Trusteeship Services Limited

Asian Building , Ground Floor
17, R Kamani Marg , Ballard Estate
Mumbai – 400 001

Registrar & Transfer Agent:

Link Intime India Private Limited

1st Floor, 308, Jaldhara Complex, Opp. Manisha Society, Off Old Padra Road, Vasna Road,
Vadodara – 390015
Tel No. (0265) 2250241, 3249857
Fax No. (0265) 2250246
E-mail: vadodara@linkintime.co.in

Compliance Officer

Mr. R. K. Baheti

Director , President – Finance & Company Secretary
Alembic Limited
Alembic Road, Vadodara – 390 003
Gujarat, India
Tel: (0265) 228 0550
Fax: (0265) 228 2506
E-mail: rajkumar_baheti@alembic.co.in

i) **Name and address of the registered office of the issuer**

Registered Office:

Alembic Limited
Alembic Road,
Vadodara - 390 003

ii) **Name and addresses of the directors of the issuer**

| Director | Designation | Address |
|------------------------------|---|---|
| Mr. Chirayu Ramanbhai Amin | Chairman & Managing Director | F 10/195, Race Course Circle, Gotri Road, Vadodara – 390 007. |
| Mrs. Malika Chirayu Amin | Whole time Director | F 10/195, Race Course Circle, Gotri Road, Vadodara – 390 007. |
| Dr. Babubhai Ramanbhai Patel | Director | Opp. Brahman Sabha Hall, Pratap Road, Vadodara – 390 001. |
| Mr. Raj Kumar Baheti | Director, President Finance & Company Secretary | Flat No. 402, Samprat Residency, 52, Alkapuri Society, Alkapuri, Vadodara – 390007. |
| Mr. Pranav Natverlal Parikh | Director | Technova Imaging Systems Ltd., Laxmi Mills Estate, Off: Dr. E. Moses Road, Mahalaxmi, Mumbai – 400 011. |
| Mr. K G Ramanathan | Director | 192, Jolly Maker 3, 119, Cuffe Parade, Mumbai 400 005. |
| Mr. Paresh M. Saraiya | Director | 9, Charotar Society, Old Padra Road, Vadodara – 390 003. |
| Mr. Pranav Amin | Director & Chief Business Development Officer | F 10/195, Race Course Circle, Gotri Road, Vadodara – 390 007. |

iii) **A brief summary of the business / activities of the issuer and its line of business**

The Company is engaged in the manufacture of bulk drugs, pharmaceuticals and antibiotic formulations (both for human consumption and animal health care) and research activities. The major basic/bulk drugs manufactured are Penicillin, Erythromycin, Roxithromycin, Azithromycin, 7ACA and Ceph-C. The Company has the following range of products:

- Bulk Drugs – These cover Penicillin, Erythromycin, Roxithromycin, Azithromycin, 7ACA, Ceph-C etc. used for formulations like tablets, capsules, injectables etc.
- Antibiotic formulations – This covers Penicillin injections and other combinations for tablets, granules, ointments, pediatric drops etc.
- Pharmaceutical formulations – These cover cough and cold remedies, analgesics, anti bacterials, NSADs (Pain Killer), Protein Supplement, tonics, vitamin, women health care, life style disease management, orthopedic etc.
- R & D Activities – These includes generics and contract research activities, clinical research and biological studies as well as patenting initiatives.

PROCESS

The bulk drugs manufacturing facility at Vadodara involves process of fermentation in large fermentors. For different bulk drugs separate micro organisms are used. Other major inputs for this process are carbon sources (sugar, oil etc.), nitrogen sources (de-oiled cakes), sterile air and power. During the fermentation process, which may range from 5 to 10 days, stringent control temperature, sterility etc. is maintained. After fermentation, the recovery of the antibiotics is done which involves various unit operations like filtration, counter current extraction, crystallisation, centrifugation, re-crystallisation, drying etc. Since large quantity of solvents is used in antibiotic recovery, solvent recovery is also a major activity.

Regarding formulation activity, the process involves cleaning and sterilisation of input API and bulk drug manufacturing at Panelav involves chemical synthesis, mixing of various materials, taking out production on individual machinery depending upon the formulations such as tablets, capsules, injectables, oral preparation etc. The Company has plant and machineries for automatic and continuous manufacturing, labelling, packing activities.

RESEARCH AND DEVELOPMENT

The Company has from the very beginning relied upon its own R&D activities and has successfully developed and commercialized technology for Penicillin and other bulk drugs, such as Erythromycin, Roxithromycin and Azithromycin etc.

The research spectrum spans organic chemistry, bio-chemistry, microbiology, pharmacology, chemotherapy, immunology and environment hygiene. The specific areas in which R&D is carried out by the Company are improvement in the productivity of antibiotic producing cultures, medium improvement and bio-engineering studies for optimum production of antibiotic and down stream process improvement studies. The Company has various laboratories covering diverse functions of quality control analysis for raw materials and bulk antibiotics, in process testing of products, stability studies, conducting animal tests etc.

To focus our attention towards contract research, the Company has launched a new R&D division, BioArc Research Solutions in June 2003 with a mission to provide total customer delight through long-term partnerships, rendering reliable quality services in a time-bound confidential manner. The new division, manned by 150 scientists, is to focus on providing contract research services to the global research-based pharmaceutical companies. BioArc provides services in areas of synthetic organic chemistry, process chemistry at gm to kg levels, custom synthesis, impurity isolation and synthesis, analytical chemistry and formulation development. The pre-clinical evaluation using *in vitro* system followed by *in vivo* (general safety pharmacology and toxicology) studies in small animals shall be initiated soon. The laboratories are well equipped with necessary equipments.

BioArc, our 1,20,000 sq. ft. state-of-the-art research center is the nucleus of our research endeavours. Its well-planned spacious laboratories, technologically advanced analytical infrastructure and workspaces are home to our generics and contract research activities, clinical research and biological studies, as well as our patenting initiatives.

A number of patents have been filed in this area. Development of new products for MNCs (as Contract Research) has been initiated, products are being developed and geared up for MCC/MCA approvals. Non-infringing formulations are being developed for filing ANDA.

PRODUCTION FACILITIES AND INFRASTRUCTURE

The plants located at Vadodara, Panelav and Baddi are manufacturing bulk drugs and formulations. The Company acquired manufacturing facilities at Village Karakhadi, Taluka Padra, District Vadodara in 2006. The Company has facilities for manufacturing and packaging main formulations to be supplied not only in domestic market but also in overseas markets. Fully automatic and antibiotic vialling assembly line, wrap around case packer machine etc. reduce the lead time. Because of new additions and equipments together with engineering and technological up-gradation, the Company has been in a position to improve yield, to increase the capacities, to improve the quality and effectiveness of the drugs and other products and to reduce the cost for manufacturing of these products. The existing facilities are as per Good Manufacturing Practices (GMP) norms laid down by World Health Organization. The Company has got ISO-9002 Certification from an Accreditation Agency for manufacture and marketing of Bulk Drugs and Formulations for domestic and exports markets. The Company has also received ISO-14001 certificate and has taken various initiatives that are directed towards a cleaner environment through waste minimization, efficiency improvement and resource conservation. The Company has an agreement with Gujarat Electricity Board (“GEB”) for the supply of 8000 KVA of electricity to the Vadodara unit. In addition, the Company has also installed a captive power plant consisting of 3 numbers of Gas Turbine Generating Sets each with a capacity of 4.2MW. The Company has also set up windmill power generating facility with capacity of 5MW in order to achieve greater self-sufficiency in its power requirement.

The API facilities and formulation facility at Panelav have been approved by USFDA and European Directorate of Quality Medicine (EDQM). All land acquired by the company is registered in the name of the company and has a clear title.

Company has thwo SBU’s :

- 1) Branded Formulations
- 2) International business.

The Formulation SBU caters to domestic and non regulatory international markets covering all formulations products Alembic is a major formulation player with strong presence in anti-infective, inflammation, cough and cold, neutraceutical and gastro-intestinal therapeutic areas. In FY08-09, the formulation business has contributed to around 53.08 % total sales. The Company has been ranked 19th in the domestic formulation market with market share of approx 1.81% and 14th in doctor’s prescription universe. Alembic is the market leader with 37% market share in macrolides and fourth largest player in respiratory segment markets its products through 15 marketing divisions..

The Company’s SBU International business caters to domestic and international API as well generic formulations. SBU is also responsible for regulatory markets for both API and formulation products. Alembic’s core competence lies in the fermentation technology and it also has end-to-end intergration in Macrolides in which it is the market leader. API product basket is classified into:

Macrolides – Erythromycin, Azithromycin, Clarithromycin, Roxithromycin, Telithromycin.

Cephalosporin – Cefepime, Cefuroxime Axetil, and Cefetamet pivoxyl

Anti-Parkinson – Pramipexole, Ropinirole

Anti-Depressant – Moclobemide, Venlafaxine

Others – Leflunomide, Fenofibrate, Modafinil, Lamotrigine, Cilostazole, Nitazaxonide and Lovastatin.

Company is also focusing on Europe, Canada and the South American markets apart from the US. The Company is expecting revenue streams through both: sale of API’s and supply chain partnership with

leading generic companies for formulation from its dedicated formulation facility at Panelav, Vadodara. Company has entered into long term supply agreements with generic companies in US and Europe.

Alembic marked its foray into the high growth, lifestyle therapeutic segments like Cardiovascular, Diabetic, Gastrointestinal and Gynecology by acquiring the entire domestic Non-Oncology formulation business of Dabur with 24 active brands. It was the largest acquisition in the domestic pharma sector in recent times.

Non-infringing processes have been developed for several APIs targeted for regulated markets. 11 DMFs were filed during 2008-09. This takes the total tally of DMFs filed 32.

We have filed 8 ANDAs in regulated markets during the 2008-09, including NDDS products taking the total to 19 ANDAs and have got approvals for four ANDAs during the year. In the Coming year we have set ourselves a target of 20 ANDAs. Alembic is poised to enter the niche ophthalmic segment in the regulated markets and aims to file 5 ANDAs during the year 2009-10.

EFFLUENT TREATMENT AND POLLUTION CONTROL

Alembic is having No Objection Certificate for manufacturing of Penicillin G, Erythromycin, Ceph-C, Dried Yeast Powder, Roxithromycin, Export Products, Formulations and Electrical Power from the State Pollution Control Board. Alembic's Effluent Treatment Plant consists of Anaerobic and Aerobic treatment facilities. The plant is working efficiently and achieved the norms prescribed by Gujarat State Pollution Control Board and Vadodara Municipal Corporation.

MARKETING AND DISTRIBUTION

The goods manufactured at the Company's factories are sent to stock points located in each of the geographical states of India at various towns and cities. These stock points are known as Consignee Agents (CA) and Clearing & Forwarding Agents (C&F). There are 3 CA and 29 C&Fs. These stock points cater to about 2500 wholesale dealers (against specific indents from them based on fixed norms and criteria) who, in turn, cater to the requirements of approximately 2,50,000 retailers spread across the country for selling to final consumers. Selling of ethical pharmaceutical products is largely being carried out through personal contacts with customers. viz. Over 1,60,000 doctors and 4200 wholesale dealers. Sales are also registered at large or medium public and private institutions against tenders floated at definite periods. The Company is a Government recognized Export House and it exports mainly to European countries and other developed countries like Canada, Korea, Myanmar, Singapore, U.K., Vietnam, Mexico and Hongkong. The Company has registered (or has applied for registration) various brands as trademarks. The well-known brands registered in the name of the Company include 'Alembic', 'Glycodin', 'Zeet', 'Althrocin', 'Roxid', 'Azithral', 'Zero' and 'Protinules'.

Subsidiary Companies

Alembic Limited has formed wholly owned subsidiary viz. Alembic Global Holding SA in Switzerland with objective of purchase, sale, packaging, manufacturing, research and development of pharmaceutical products, intermediates and raw materials as well as acquisition and management of intellectual property.

Objects of the Company

The Object Clause of the Memorandum of Association of the Company enables it to undertake the activities for which the funds are being raised in the present Issue. Furthermore, the activities the Company has been

carrying out until now is in accordance with the objects of the MoA. The objects for which the Company is established are:

The main objects of the Company inter-alia are:

To buy, sell, manufacture and deal in chemicals, spirit, shellac, varnishes, medicines, essential oils, perfumes, mahuwa flower, seedlac, starchy substances, drugs and other materials in raw, intermediate or manufactured state.

To start factories and other undertakings so as to further the development of Chemical and other Industries in India.

To generate, receive, purchase, develop, use, sell, transmit, supply, distribute and accumulate electric power, solar power, hydraulic power and power of all kinds through transmission lines for industrial, commercial and domestic purposes.

To establish a well equipped Laboratory and carry on Analytical Experimental and Research work for promoting the interest of the factories and other undertakings and objects of the Company in general.

To buy, sell, manufacture and deal in chemical, physical and all kinds of scientific apparatus and appliances required for the use of the Company or calculated directly or indirectly to benefit the Company.

To undertake and execute any contracts for works involving the supply or use of any machinery, raw materials and forest products and to carry out any ancillary or other works comprised in such contracts.

To buy, sell, manufacture, repair, alter and exchange, let on hire, export and deal in all kinds of articles and things which may be required for the purposes of any of the said businesses or commonly supplied or dealt in by persons engaged in any such businesses or which may seem capable of being profitably dealt with in connection with any of the said business.

To purchase or otherwise acquire any patents, licenses, concessions, and the like, conferring an exclusive or non-exclusive or limited right to use any secret or other information as to any invention which may seem to the Company capable of being profitably dealt with.

To use, exercise, develop and grant licenses, in respect of or otherwise turn to account any such patents, licenses, concessions and the like and with a view to the working and development of the same to carry on any business whether manufacturing or otherwise which the Company think calculated directly or indirectly to effectuate these objects.

To establish and maintain local registers, agencies and branch places of business and procure the Company to be registered or recognised and carry on business in any part of the world.

To undertake, carry out, promote and sponsor rural development including any programme for promoting the social and economic welfare of, or the uplift of the public in any rural area and to incur any expenditure on any programme of rural development and to assist execution and promotion thereof either directly or through an independent agency or by payment of any sum to an association or institution having the object of undertaking any programme of rural development or in any other manner.

To undertake, carry out, promote and sponsor or assist any activity for the promotion and growth of national economy and for discharging what the Directors may consider to be social and moral responsibilities of the Company to the public or any section of the public as also any activity which the Directors consider likely

to promote national welfare or social economic or moral uplift of the public or any section of the public and in such manner and by such means as the Directors may think fit.

To manufacture, produce, use, buy and sell and otherwise deal or traffic in any or all kinds of containers, including packing cases, boxes, drums etc. made of wood, metal, card-board, paper, plastic, foamed plastic, glass or any other materials.

To carry on business in India or elsewhere as Dealer, Trader, Exporter, importer, manufacturers, converters, distributors, stockists, commission agents and processors of all sorts of bulk drugs, pharmaceutical and antibiotic formulation, chemicals, fine chemicals, veterinary and animal health products, man-made fibres and filament yarn and to act as Export House or Trading House or exporters and/or importers of any goods, products, various services, including consultancy services in all field.

iv) **Brief History**

Brief History

The Company was incorporated as Alembic Chemical Works Company Limited on 30.07.1907 under the Indian Companies Act, VI of 1882 in the State of Gujarat. The name was changed to Alembic Limited from 31.05.1999. Originally, it was manufacturing chemicals, liquor etc. However, from 1950's onwards, it ventured into pharmaceutical business and after 1960 in the production of bulk drugs. The Company is pioneer in manufacturing penicillin through fermentation process by developing indigenous know-how. The Company was conferred Sir P. C. Ray award for indigenous manufacturing of Penicillin. Over the years, the Company has also developed other bulk drugs like Erythromycin, Roxithromycin, Azithromycin, etc. The Company is also in the formulations market and is producing number of items in therapeutic segments of which some of the products are the market leaders. The Company also makes exports and has also won awards from CHEMEXIL for export performance in the year 1991-92. It has also been recognized as Export House by Government of India. The Company started a Veterinary Division for animal health care in 1986. The Company took over Bulk Drugs Division of Darshak Limited in 2001-02 which produces bulk drugs. The Company has manufacturing facilities at different locations viz.

- Alembic Road, Vadodara , Gujarat;
- Panelav, Tal. Halol, Dist. Panchmahals, Gujarat
- Plt No 21,22, EPIP –Phase I, Jharmajri, Baddi, Tehsil – Nalagarh, Dist Solan, Himachal Pradesh.
- Village Karakhadi, Taluka : Padra, Disrict Vadodara.

All facilities are having modern equipment and machinery. The Company and / or its promoters have developed schools, hospitals, sports club, consumer co-operative society, residential colonies, etc. Recently, the Company has started undertaking Contract Research Assignments for Multi-national Companies. The Company has also set up a state-of-the-art Research Centre, named as 'BioArc Research Solutions' at Vadodara in the year 2003. It started its activities in 2004. This centre is providing research services and also carrying out Research activities on Contract Research basis.

Milestones

| | |
|------|---|
| 1907 | A Joint Stock Company with a limited liability registered first in Bombay and then in Vadodara. The Company was named Alembic Chemical Works Co. Ltd. |
| 1909 | French Distillery Plant worth Rs. 1 Lac along with machinery for Pharmaceutical purposes was installed in Vadodara. |
| 1933 | Company celebrated Silver Jubilee. |

| | |
|---------|--|
| 1934 | Branch Office in Madras was established. |
| 1935 | Established a Sales Office in Calcutta. |
| 1940 | Started manufacturing Chemicals and Vegetable Ghee. |
| 1950 | Started manufacturing Cough Syrup, Vitamins, tonics and Sulphur Drugs. |
| 1952 | Started R & D Activity. |
| 1961 | Inaugurated Penicillin plant by Late Mr. Lal Bahadur Shastri. |
| 1967 | Bulk Manufacturing of Vitamins B12 by fermentation. |
| 1968 | Started Manufacturing Streptomycin. |
| 1969 | Received Dr. P.C. Ray Award for Quality. |
| 1971 | A major break through as the Company started manufacturing Erythromycin. |
| 1972 | Launched Althrocin – A brand of Erythromycin. |
| 1972 | Started Manufacturing Kanamycin by fermentation. |
| 1975 | R & D was approved by DSIR, GoI. |
| 1979 | Started manufacturing Ampicillin, Pharma Building was set up. |
| 1991-92 | Received First Chemexcil Award. |
| 1992 | Launched Roxid – A brand of Roxithromycin. |
| 1992-93 | Large Scale production of 6-APA (6 - Amino Penicillanic Acid) using immobilized enzyme. |
| 1992-93 | Received Second Chemexcil Award. |
| 1994 | Launched Azithral – A brand of Azithromycin. |
| 1997 | Received Award for ‘Excellence in Environment Preservation and Pollution Control’ by FGI. |
| 1997 | Launched Roxid Liquid. |
| 1998 | Launched Azithral Liquid. |
| 1998 | Launched Clarithro – A brand of Clarithromycin. |
| 1999 | Achieved ISO 9002 Certificate for its manufacturing facilities. |
| 1999 | Changed Company’s name as Alembic Ltd. |
| 2000 | Achieved ISO 14001 Certificate. |
| 2000 | Inaugurated Cephalosporin – C manufacturing facility by Mr. Suresh Prabhu – Honourable Union Minister of Chemicals & Fertilizers, GoI. |
| 2000 | Launched Generic Division. |
| 2001 | Started manufacturing facility at Village Bhimpore, Daman. |
| 2002 | Taken over the Bulk Drugs Unit of Darshak Limited. |
| 2003 | Launched BioArc Research Solutions |
| 2004 | Commissioning of Baddi Plant. |
| 2005 | Launched ZERO Brand |
| 2006 | Acquisition of API Plant at Tal; Karakhadi, Dist Vadodara |
| 2007 | Acquisition of Non-Oncology Business of M/s Dabur Pharma Ltd |
| 2007 | Entered into licensing agreement for its Novel Drug Delivery Platform for Keppra® XR (Levetiracetam Extended Release Tablets) with UCB |
| 2007 | Acquisition of Dabur Pharma Ltd’s non-oncology Brands for Rs.159 Crores. |

The name of the Company was changed w.e.f. 31/5/1999 from Alembic Chemical Works Company Limited to Alembic Limited.

The Company was originally formed with the object mainly to engage in chemical business. However, at present, it is engaged in Pharmaceuticals business only. The word ‘Alembic’ has received recognition in Pharmaceutical industry in India. The name was changed so as to reflect the core activities of the Company.

Capital History

Details of Capital structure of the Company since incorporation

| Year | Number of shares | Face Value (Rs.) | Issue Price (Rs.) | % of Pre-issue Capital | Consideration | Remarks |
|------|------------------|------------------|-------------------|------------------------|---------------------------------------|---|
| 1907 | 4,653 | 100 | 100 | 0.6% | Cash, 507 Shares to vendors of assets | Subscription to Memorandum of Association - Incorporation (includes 507 shares issued to vendors) |
| 1916 | (181) | 100 | N.A. | (0.0%) | N.A. | Forfeited shares |
| 1935 | 528 | 100 | 100 | 0.1% | Cash | Rights issue |
| 1938 | 5,000 | 100 | -- | 0.7% | N.A. | Bonus issue |
| 1944 | 3,000 | 100 | 100 | 0.4% | Cash | Rights issue |
| 1946 | 2,000 | 100 | 100 | 0.3% | Cash | Rights Issue |
| 1947 | 5,000 | 100 | 100 | 0.7% | Cash | Rights Issue |
| 1948 | 5,000 | 100 | -- | 0.7% | N.A. | Bonus Issue |
| 1955 | 10,000 | 100 | 100 | 1.4% | Cash | Rights Issue |
| 1957 | 7,000 | 100 | -- | 1.0% | N.A. | Bonus Issue |
| 1958 | 23,000 | 100 | 100 | 3.1% | Cash | Rights Issue |
| 1959 | 20,000 | 100 | 100 | 2.7% | Cash | Rights issue |
| 1960 | 10,000 | 100 | 100 | 1.4% | Cash | Rights Issue |
| 1962 | 9,500 | 100 | -- | 1.3% | N.A. | Bonus issue |
| 1962 | 40,000 | 100 | 130 | 5.4% | Cash | Rights issue |
| 1966 | 48,167 | 100 | -- | 6.5% | N.A. | Bonus issue |
| 1967 | 12,279 | 100 | N.A. | 1.7% | In terms of scheme of merger | Issue of shares to the shareholders of Alembic Distributors, Bombay and Alembic Distributing Agency, Bangalore pursuant to their merger |
| 1968 | 25,000 | 100 | 100 | 3.4% | Cash | Rights issue |
| 1969 | 57,487 | 100 | 100 | 7.8% | Cash | Rights issue |
| 1971 | 57,487 | 100 | 100 | 7.8% | Cash | Rights issue |
| 1985 | 66,909 | 100 | N.A. | 9.1% | In terms of scheme of merger | Allotment of shares to the shareholders of Neomer Limited on its merger |
| 1996 | 1,64,732 | 100 | 950 | 22.3% | Cash | Rights issue |
| 1997 | 175 | 100 | N.A. | (0.0%) | N.A. | Forfeiture of shares |
| 1998 | 1,45,000 | 100 | 550 | 19.7% | Cash | Preferential allotment |
| | 721,386 | 100 | | | | Number of shares before stock split |
| 1999 | 72,13,860 | 10 | N.A. | | N.A. | Stock split from Rs100 to Rs10 |

| | | | | | | |
|----------------|---------------------|-----------|-------------|------|---------------------------------|--|
| 2003 | 1,44,848 | 10 | N.A. | | In terms of scheme of de-merger | Issue of shares to shareholders of Darshak pursuant to Scheme of De-merger |
| | | | | 2.0% | | |
| 2004 | 14,71,742 | 10 | 220/- | 20% | Cash | Right Shares |
| 2004 | 1,76,60,654 | 10 | -- | | N.A. | Bonus shares |
| 2004 | (123) | 10 | N.A. | | N.A. | Forfeiture of Shares |
| 2004 | 12,00,000 | 10 | 161 | | Cash | Preferential Issue |
| | 2,76,90,981 | 10 | | | | Number of shares before stock Split. |
| 2006 | 13,84,54,905 | 2 | N.A. | | N.A. | Stock Split from Rs. 10 to 2. |
| 2008-09 | 137192061 | 2 | N.A. | | N.A. | 1262719 Shares Bought back in 2008-09. |

v) **Details of Debt Securities Issued and sought to be listed**

| | |
|---------------------------|--|
| Nature of Debt Securities | Redeemable, Secured, Non Convertible Debentures |
| Issue Amount | Rs.50 Cr. |
| Tenor | 3 years |
| Coupon Rate | 9.25% p.a |
| Interest Payable | Annually |
| Redemption | At the end of 3 rd year |
| Security | First Pari-passu charge on fixed assets with an asset cover of 1.25 times during the currency of the debentures. |
| Mode of Issue | Private Placement |

vi) **Issue Size** - Rs.50 Cr.

vii) **Details of utilization of the issue proceeds**

The Utilization of funds proposed to be raised through this private placement will be for general corporate purpose.

viii) **Material Contracts and Inspection of Documents**

- Memorandum and Articles of Association of the Company
- Copies of Annual Reports for the five years ended 31st March 2009
- Letter dated 29.06.2009 from CRISIL Limited assigning CRISIL AA- rating for Rs.75 Crore

The above material documents and contracts will be available for inspection between 9.00 am and 5.00 p.m. on all working days in Vadodara at the Registered office, Alembic Road, Gorwa Vadodara - 390 003, of the Company.

ix) **Details of other borrowings**

- Long Term Loans as of 31st March 2009**

| Lender | Amount-Rs lacs | Tenor | Secured / Unsecured |
|--------------------|-----------------------|--------------|----------------------------|
| BNP Paribas-ECB | 1755.02 | 3 Years | Secured |
| ABN Amro-ECB | 427.14 | 5 Years | Secured |
| Stanchart-ECB | 4862.31 | 5 Years | Secured |
| Barclays Bank-Loan | 2700.00 | 1 Year | Unsecured |

b) Working Capital Facility from Banks

| Bank | Amount |
|-------------------------|---------------|
| Bank of Baroda | 57.00 |
| ABN Amro Bank | 3900.00 |
| Standard Chartered Bank | 1948.00 |
| HDFC Bank | 1118.00 |
| Commercial Papers | 8500.00 |

x) Any material event / development or change at the time of issue or subsequent to the issue

Nil

xi) Particulars of debt securities issued

- | | | |
|--|---|-----|
| i) for consideration other than cash, whether in whole or part | - | Nil |
| ii) at a premium or discount | - | Nil |
| iii) in pursuance of an option | - | Nil |

xii) A list of highest ten holders of various instruments as on 31st March 2009

a) Equity

| Name of the Holders(s) | Address | Percentage |
|-------------------------------|--|-------------------|
| Whitefield Chemtech Pvt Ltd | R.O. Main Road, Whitefield, Bangalore 560 066 | 13.33% |
| Sierra Investments Ltd. | 5 th Floor, Administration Building, Alembic Limited, Alembic Road., Vadodara 390 003 | 12.24% |
| Shreno Ltd | Alembic Road, Vadodara – 390 003 | 12.11% |
| Nirayu Pvt Ltd | Main Road, Nr. Railway Station, Whitefield, Bangalore - 560 066 | 11.82% |
| Chirayu Ramanbhai Amin | F10/195, Race Course Circle, Gotri Road, Vadodara – 390007 | 3.33% |

| | | |
|---------------------------------|--|-------|
| Malika Chirayu Amin | F10/195, Race Course Circle, Gotri Road, Vadodara – 390007 | 2.00% |
| Shreno Investment & Finance Ltd | Alembic Road, Vadodara – 390003 | 1.28% |
| Yera Ramanbhai Amin | F10/195, Race Course Circle, Gotri Road, Vadodara – 390007 | 1.02% |
| Shaunk Chirayu Amin | F10/195, Race Course Circle, Gotri Road, Vadodara – 390007 | 0.74% |
| Pranav Chirayu Amin | F10/195, Race Course Circle, Gotri Road, Vadodara – 390007 | 0.74% |

b) **Debentures**

| S No | Investor | Address | Amount (Rs mn) |
|------|-----------|-----------------------------|----------------|
| 1 | LIC- NCDs | LIC Building , Fort, Mumbai | 7500.00 |

c) **Others - FCCBs, Convertibles, Preference shares etc**

| S No | Investor | Address | Amount (Rs mn) |
|------|----------|---------|----------------|
| 1 | NIL | NIL | NIL |

xiii) **Undertaking – common form of transfer**

The company has been issuing debentures in demat form only and there are no physical holdings. However, the company would use a common transfer form for physical holdings if at a later stage there is some holding in the physical form due to the depository giving a rematerialisation option to any investor.

- xiv) Redemption Amount - Rs.50 Crore
 Period of Maturity - 3 years
 Yield on Redemption - 9.25% p.a.

xv) **Information relating to the terms of offer**

Placement Programme

The Company is placing Secured Redeemable Non Convertible Debentures of face value of Rs.10 lakhs each aggregating to Rs.50 Crore under private placement basis.

Who can Invest

The following categories of investors, when specifically approached, are eligible to apply for this private placement of Debentures

Companies and Bodies Corporate including Public Sector Undertakings..
Commercial Banks
Regional Rural Banks
Financial Institutions
Insurance Companies
Mutual Funds
Any other investor authorised to invest in these Debentures.

All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debentures.

Procedure for applications by Mutual Funds and Multiple Applications

The applications forms duly filled shall clearly indicate the name of the concerned scheme for which application is being made and must be accompanied by certified true copies of

SEBI registration certificate
Resolution authorizing investment and containing operating instructions
Specimen Signature of authorized signatories

Documents to be provided by investors

Investors need to submit the following documentation, along with the application form, as applicable

Memorandum and Articles of Association / Documents Governing Constitution
Resolution authorising investment
Certified True Copy of the Power of Attorney
Form 15 AA for investors seeking exemption from Tax deduction at source from interest on the application money.
Specimen signatures of the authorised signatories duly certified by an appropriate authority.
SEBI Registration Certificate (for Mutual Funds)
PAN to be submitted

Mode of Payment

All cheques/drafts must be made payable to “**Alembic Limited**” and crossed “A/C PAYEE ONLY” or through Fund Transfer / Real time gross settlement.

| | | |
|-----------------|---|---|
| Account Details | : | Alembic Limited. |
| Account Number | : | 0330110000144 |
| RTGS Code | : | HDFC0000033 |
| Bank Name | : | HDFC Bank Limited, |
| Bank Address | : | Midway Plaza, Kalaghoda, Raopura Road, Vadodara 390 001 |

Interest on Application Money

Interest on Application Money is payable at the applicable coupon rate (subject to deduction of tax at source at the rates prevailing from time to time under the provisions of Income Tax Act, 1961 or any statutory modification or reenactment thereof), will be paid on the entire application money on all valid applications. The same will be released within 30 days from the Date of Allotment.

Such interest shall be paid for the period commencing from the date of credit by way of funds transfer / Real time gross settlement realisation of the cheque(s)/draft(s) up to one day prior to the date of allotment. The respective interest payment instruments will be dispatched by registered post at the sole risk of the applicant, to the sole/first applicant.

No interest on application money would be payable in cases of invalid applications.

Effect of Holidays

Should any of dates defined above excepting the Date of Allotment, fall on Saturday, Sunday or a public holiday, the interest for the period would be paid on the immediate preceding or succeeding working day with interest upto the working day preceding the actual date of payment. The interest for the next succeeding interest period will correspondingly be adjusted.

Payment of Interest

Interest would be payable annually to the beneficiaries as per the beneficiary list provided by the depository as on the record date.

The interest shall be computed on the basis of actual number of days elapsed in a year, for this purpose a year to comprise of a period of 365 days except incase of a leap year where the year will comprise of 366 days.

No interest / interest on interest shall accrue on the Debentures after the date of maturity of the respective instruments.

Tax Deduction at Source

Income tax will be deducted at source from interest on application money as per applicable provisions of the Income Tax Act, 1961 and as applicable from time to time. In respect of interest on application money, the relevant document (Form 15AA / 15H) should be submitted along with the application form at least 15 days before the interest payment becoming due.

Where any deduction of Income Tax is made at source, the Company shall send to the Debenture holder a Certificate of Tax Deduction at Source.

Letter of Allotment / Bond Certificates

The bonds shall be allotted in demat form only.

Issue of Allotment Letter(s) / Refund Order(s) and Interest In Case of Delay In Despatch

The Company shall credit the allotted securities to the respective beneficiary account within 10 days from the date of allotment of the Issue. Further, as far as possible, allotment of securities offered to the Investors shall be made within 30 days of the closure of the Issue.

The company shall pay interest as per the provision of Companies Act / DIP Guidelines if the allotment has not been made and / or the Refund Orders have not been dispatched to the investors within 30 days from the date of the closure of the Issue, for the delay beyond 30 days.

The Company will make available adequate funds for this purpose.

Depository Arrangement

The Company has made depository arrangements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for issue and holding of the Debentures in dematerialised form.

As per the provisions of Depositories Act, 1996, the Debentures issued by The Company can be held in a dematerialised form, i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. In this context:

Two tripartite agreements have been signed

Tripartite Agreement in the year 2000 with CDSL

Tripartite Agreement in the year 2000 with NSDL

An applicant who wishes to apply for Debentures in the electronic form must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the application.

The applicant seeking allotment of Debentures in the electronic form must necessarily fill in the details (including the beneficiary account number and Depository Participant's ID) appearing in the Application form under the heading 'Request for Debentures in Electronic Form'.

Debentures allotted to an applicant in the electronic account form will be credited directly to the applicant's respective beneficiary account(s) with the DP.

For subscription in electronic form, names in the application form should be identical to those appearing in the account details in the depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the depository.

If incomplete/incorrect details are given under the heading 'Request for Debentures in electronic form' in the application form, it will be deemed to be an application for Debentures in physical form.

In case of allotment of Debentures in electronic form, the address, nomination details and other details of the applicant as registered with his/her DP shall be used for all correspondence with the applicant. The Applicant is therefore responsible for the correctness of his/her demographic details given in the application form vis-à-vis those with his/her DP. In case the information is incorrect or insufficient, the Issuer would not be liable for losses, if any.

PAN Number

Every applicant should mention his Permanent Account Number (PAN) allotted under Income Tax Act, 1961.

Record Date / Book Closure Date Falling on Sunday / Holiday

In case record date / book closure date falls on Sunday / Holiday, the day prior to the said Sunday / Holiday shall be the record date / book closure date.

Payment on Redemption

The payment of the redemption amount of the Debentures will be made by the Company to the beneficiaries as per the beneficiary list provided by the depository as on the record date.

The Debentures held in the Dematerialised Form shall be taken as discharged on payment of the redemption amount by the Company on maturity to the registered Debenture holders whose name appears in the Register of Debenture holders on the record date. Such payment will be a legal discharge of the liability of the Company towards the Debenture holders. On such payment being made, the Company will inform NSDL and accordingly the account of the Debenture holders with NSDL will be adjusted.

The Company's liability to the Debenture holders towards all their rights including for payment or otherwise shall cease and stand extinguished from the due dates of redemption in all events. Further the Company will not be liable to pay any interest or compensation from the dates of such redemption.

On the Company dispatching the amount as specified above in respect of the Debentures, the liability of the Company shall stand extinguished.

Purchase and Sale of Debentures

The Company may, at any time and from time to time, purchase Debentures at the price available in the debt Market in accordance with the applicable laws. Such Debentures may, at the option of the Company, be cancelled, held or reissued at such a price and on such terms and conditions as the Company may deem fit and as permitted by law.

Re-issue of Debentures

Where the Company has redeemed any such Debentures, subject to the provisions of Section 121 of the Companies Act and other applicable provisions, the Company shall have and shall be deemed always to have had the right to keep such Debentures alive for the purpose of reissue and in exercising such right, the Company shall have and shall be deemed always to have had the power to re-issue such Debentures either by re-issuing the same Debentures or by issuing other Debentures in their place.

Future Borrowings

The Company shall be entitled from time to time to make further issue of Debentures to the public, members of the Company and /or any other person(s) and to raise further loans, advances or such other facilities from Banks, Financial Institutions and / or any other person(s) on the security or otherwise of its assets without any further approval from the Debenture holders.

Governing Law

The Debentures are governed by and shall be construed in accordance with the existing Indian laws. Any dispute arising thereof will be subject to the jurisdiction at the city of **Vadodara**.

Consents

Consents in writing of the Registrar of issue and Trustees for the Debenture holders to act in their respective capacities, have been obtained.

Underwriting of the issue

The Issue of Debentures has not been underwritten.

Tax Benefits

A Debenture holder is advised to consider in his own case the tax implications in respect of subscription to the Debentures after consulting his tax advisor:-

Undertaking by the Issuer

The Issuer Company undertakes that:

The complaints received in respect of the Issue shall be attended to by the issuer company expeditiously and satisfactorily;

That all the steps for completion of the necessary formalities for listing and commencement of trading at Stock Exchange where the securities are to be listed are taken within 2 months from the date of allotment

The funds required for dispatch of refund orders/allotment letters/certificates by registered post/Speed Post shall be made available by the issuer company;

Necessary co-operation to the credit rating agency (ies) shall be extended in providing true and adequate information till the debt obligations in respect of the instrument are outstanding.

That the company shall disclose the complete name and address of the debenture trustee in the annual report

That the company shall provide a compliance certificate to the debenture holders (on yearly basis) in respect of compliance with the terms and conditions of issue of debentures as contained in the document, duly certified by the debenture trustee.

That the company shall furnish a confirmation certificate to the debenture trustee (on yearly basis) that the security created by the company in favour of the debenture holders is properly maintained and is adequate enough to meet the payment obligations towards the debenture holders in the event of default.

Investor Grievances & Redressal System

Details of arrangements or any mechanism evolved by the Company for redressal of investor complaints

The Board of Directors have appointed a Compliance Officer for the purpose of providing prompt and efficient investor service. The Compliance Officer also attends to investor grievances/complaints on a continuous basis under the supervision of the Company Secretary and Share Transfer and Investor Relations Committee. The Committee also reviews compliance under various regulations prescribed under the Companies Act, 1956 and other corporate laws, listing agreement and regulations/guidelines issued by SEBI.

xvi) **The discount at which such offer is made and the effective price for the investor as a result of such discount.**

The issue is being done at par.

xvii) The debt equity ratio prior to after the issue of the said security.

| | |
|--|-------------------|
| Debt Equity Ratio prior to the issue (as of 31 st March 2009) | 0.45 times |
| Debt Equity Ratio After the issue | 0.60 times |

xviii) Servicing behaviour on existing debt securities, payment of due interest on due dates on term loans and debt securities

In respect of all the existing debt securities / term loans, the payment of interest / principal have been made on the respective due dates as per the original terms of the issue.

xix) Permission from the prior creditor for creation of pari passu charge

Application for permission from other lenders is under process and will be duly completed before the due date of creation of security

xx) The names of trustees and communications to holders of debt securities

IDBI Trusteeship Services Limited

Asian Building
Ground Floor
17, R Kamani Marg
Ballard Estate
Mumbai – 400 001

xxi) The rating rationale adopted by the rating agencies

CRISIL has assigned AA- rating to the Long Term debt program as communicated vide their letter dated 29.06.2009 to the extent of 75 Cr. The rating indicates that the degree of safety with regard to timely payment of interest and principal on the instrument is adequate. Such Instruments carry low credit risk.

The rating letter / rationale from CRISIL is attached as Annexure - 1.

xxii) Name of the stock exchange and in principle approval letter

The debentures will be listed on the Bombay Stock Exchange.

Bombay Stock Exchange Limited (BSE)

Rotunda Building,
Dalal Street,
Fort, Mumbai 400 001

The application for getting in-principle approval for listing has been submitted to BSE. The same will be obtained shortly.

xxiii) A summary term sheet containing the following details of the securities to be issued

| | |
|-------------------------------|---|
| Issuer | Alembic Limited |
| Instrument | Secured Redeemable Non Convertible Debentures |
| Face Value | Rs.10 lakhs |
| Issue Size | Rs.50 cr |
| Minimum subscription | Rs.5 cr |
| Tenor | 3 years |
| Coupon Rate | 9.25% p.a. |
| Interest Payment | Interest is payable annually |
| Interest Payment Dates | Annually from the deemed date of allotment |
| Redemption Date | At the end of third year from the deemed date of allotment |
| Utilisation of Issue Proceeds | The Utilization of funds proposed to be raised through this private placement will be for Normal Capital Expenditure and Long term Working Capital Expenditure. |
| Interest on application money | At coupon rate from the date of credit in Company's account till the day prior to the date of allotment |
| Put / Call Option | None |
| Rating | AA- by CRISIL |
| Security | First Pari-passu charge on fixed assets with an asset cover of 1.25 times during the currency of the debentures. |
| Trustees | IDBI Trusteeship Services Limited |
| Registrar & Transfer | Link Intime India Pvt. Limited |
| Form of Issuance | Dematerialised |
| Listing | On the Wholesale Debt Market Segment of BSE |
| Settlement by way of | Funds Transfer / RTGS |
| Record Date | 15 calendar days |
| Issue Schedule* | |
| Issue opens on | 29 th June,2009 |
| Issue closed on | 15 th July,2009 |
| Payin Date | 15 th July 2009 |
| Deemed date of allotment | 15 th July 2009 |

* The issuer reserves the right to change the issue schedule. The issuer will change the interest payment and redemption dates accordingly and issue an addendum to this effect.