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DRAFT DISCLOSURE DOCUMENT  
(As per Schedule I of SEBI Issue and Listing of Debt Securities Regulations, 2008)



**Dishman Pharmaceuticals and Chemicals Limited**

(Incorporated in the year 1983 as a Private Company under the name Dishman Pharmaceuticals and Chemicals Private Limited, it became a Public Limited Company in the year 1999. Consequently, the name was changed to Dishman Pharmaceuticals and Chemicals Limited)

Registered and Corporate Office: Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad -380009

Tel: (0091)-79-26443053, 26445807 Fax: (0091)-79-26420198

Website: [www.dishmangroup.com](http://www.dishmangroup.com)

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**Draft Disclosure Document for Private Placement of Rated, Secured, Taxable, Redeemable Non-Convertible Debenture(s) of face value of Rs. 1,00,00,000/- (Rs. One Crores) in forms of Separately Transferable Redeemable Principal Parts (STRPPs) of face value of Rs. 10,00,000/- (Rs. Ten Lakhs) each aggregating upto Rs. 75 crores.**

**ISSUER'S ABSOLUTE RESPONSIBILITY:** The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that to the best of our knowledge and belief (and we have taken all reasonable care to ensure that such is the case) this Disclosure Document contains all information with regard to the Issuer and the Issue as per the SEBI (Issue and Listing of Debt Securities) Regulation, 2008, which is material in the context of the Issue, that the information contained in this Disclosure Document is true and correct in all material respects.

**CREDIT RATING:** The NCDs are rated "CARE AA –" by Credit Analysis & Research Limited (CARE). Instruments with this rating are considered to offer high safety for timely servicing of debt obligations. Such instruments carry very low credit risk.

The rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The ratings obtained are subject to revision at any point of time in the future. The rating agency has the right to suspend, withdraw the rating at any time on the basis of new information etc.

**LISTING:** The Secured Redeemable Non-Convertible Debentures (NCDs) in form of Separately Transferable Redeemable Principal Parts (STRPPs) are proposed to be listed on the Whole Sale Debt Market Segment of the Bombay Stock Exchange (BSE).

**TRUSTEE FOR THE DEBENTUREHOLDERS**

**IDBI Trusteeship Services Ltd.**

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17, R Karmani Marg, Ballard Estate

Mumbai - 400 001

Tel: (022) 40807000

Fax: (022) 66311776/ 22625247

E-mail: [itsl@idbitrustee.co.in](mailto:itsl@idbitrustee.co.in)

**REGISTRAR TO THE ISSUE**

**Link Intime India Private Limited**

Link Intime India Pvt. Ltd

C-13, Pannalal Silk Mills Compound, L.B.S. Marg,

Bhandup (West), Mumbai 400078

Tel: (022) 25963838, 25946970

Fax: (022) 25946969

Email: [mumbai@linktime.co.in](mailto:mumbai@linktime.co.in)

This schedule is prepared in conformity with SEBI guidelines on Issue & Listing of Debt Securities Regulations 2008 issued vide circular no. LAD-NRO/GN/2008/13/127878 dated June 6, 2008 (referred in this document "SEBI guidelines") for private placement is neither a prospectus nor a statement in lieu of prospectus and does not constitute an offer to the public generally to subscribe for or otherwise acquire the debentures to be issued by the Issuer.



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## I. DEFINITIONS/ ABBREVIATIONS

Application Form	The form in which an investor can apply for subscription to the Debentures
Allotment Intimation	An advice informing the allottee of the number of Letter(s) of Allotment/ Debenture(s) allotted to him in Electronic (Dematerialised) Form
Allot/Allotment/Allotted	Unless the context otherwise requires or implies, the allotment of the Debentures/ pursuant to the Issue
API	Active Pharma Ingredients
Articles	Articles of Association of the Company
Board/ Board of Directors	The Board of Directors of Dishman Pharmaceuticals and Chemicals Limited
Book Closure/Record Date	The date of closure of register of Debentures for payment of interest and repayment of principal
BSE	Bombay Stock Exchange Ltd.
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
Coupon Payment Date	Date of payment of interest on the Debentures
CIS	Commonwealth Independent Status
CRAM	Contract Research and Manufacturing
MCA	Ministry of Company Affairs, Government of India
Debentures	Rated, Secured, Taxable, Redeemable Non-Convertible Debenture(s) of face value of Rs. 1,00,00,000/- (Rs. 1 Crores) in forms of Separately Transferable Redeemable Principal Parts (STRPPs) of face value of Rs. 10,00,000/- (Rs. 10 Lakhs) each aggregating upto Rs. 75 crores issued by the Issuer pursuant to the terms and conditions set out in this Disclosure Document.
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository	A Depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time
Depository Participant	A Depository participant as defined under Depositories Act
Director(s)	Director(s) of <b>Dishman Pharmaceuticals and Chemicals Limited</b> unless otherwise mentioned
Draft Disclosure Document	Draft Disclosure Document dated January 16, 2010 for Private Placement of Rated, Secured, Taxable, Redeemable Non-Convertible Debentures (NCDs) in form of Separately Transferable Redeemable Principal Parts (STRPPs) for cash at par aggregating upto Rs. 75 crores
DP	Depository Participant
EFT	Electronic Fund Transfer
EOU	Export Oriented Unit
EPS	Earning Per Share
ESOS	Employee Stock Option Scheme
ESPS	Employee Stock Purchase Scheme
EU	European Union
FCCB	Foreign Currency Convertible Bonds
FCDs	Fully Convertible Debentures
FDI	Foreign Direct Investment
FIIs	Foreign Institutional Investors
Financial Year/ FY	Period of twelve months ending March 31, of that particular year
FIs	Financial Institutions
HUF	Hindu Undivided Family
I.T. Act	The Income Tax Act, 1961, as amended from time to time



IPO	Initial Public Offer
IRR	Internal Rate of Return
ISIN	International Securities Identification Number
Issuer	<b>Dishman Pharmaceuticals and Chemicals Limited</b>
LOA	Letter of Allotment
Memorandum / MoA	Memorandum of Association of the Company
MT/s	Metric Tonne(s)
M&A	Merger & Acquisition
N.A.	Not Applicable
NCD	Non-Convertible Debentures
NRIs	Non Resident Indians
NSDL	National Securities Depository Ltd.
OCBs	Overseas Corporate Bodies
OCPS	Optionally Convertible Preference Shares
PAN	Permanent Account Number
Para	Paragraph
QUATs	Quaternary Ammonium and Phosphonium Compounds
RBI	Reserve Bank of India
Registrar	Registrar to the Issue, in this case being Link Intime India Pvt. Ltd.
ROC	The Registrar of Companies, Gujarat located at ROC Bhavan , Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013
Rs./INR	Indian National Rupee
RTA	Registrar and Transfer Agents (Link Intime India Pvt. Ltd.)
RTGS	Real Time Gross Settlement
SBU	Strategic Business Unit
SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI Regulations	Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide Circular No. LAD-NRO/GN/2008/13/127878 dated June 06, 2008
SEZ	Special Economic Zone
SOA	Scheme of Amalgamation
TDS	Tax Deducted at Source
The Companies Act/the Act	The Companies Act, 1956 as amended from time to time
The Issue/ The Offer/ Private Placement	Private Placement of Rated, Secured, Taxable, Redeemable Non-Convertible Debentures (NCDs) for cash at par aggregating upto Rs. 75 crores
Trustee	IDBI Trusteeship Services Limited
UK	The United Kingdom
US	The United States of America
US\$	The official currency of the United States of America (US Dollar)
US FDA	The United States of America Food and Drug Administration
V.P.	Vice President
WDM	Wholesale Debt Market



## II. DISCLAIMER

### GENERAL DISCLAIMER

This document is neither a “Prospectus” nor a “Statement in Lieu of Prospectus” but a “Disclosure Document” prepared in accordance with Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide Circular No. LAD-NRO/GN/2008/13/127878 dated June 06, 2008. This document does not constitute an offer to the public generally to subscribe for or otherwise acquire the Debentures to be issued by **Dishman Pharmaceuticals and Chemicals Limited** (the “Issuer”/ the “Company”/ the “Issuer Company” / “**Dishman**”). The document is for the exclusive use of the Institutions to whom it is delivered and it should not be circulated or distributed to third party/ (ies). The Issuer Company certifies that the disclosures made in this document are generally adequate and are in conformity with the captioned SEBI Regulations. This requirement is to facilitate investors to take an informed decision for making investment in the proposed Issue.

### DISCLAIMER OF THE SECURITIES AND EXCHANGE BOARD OF INDIA

This Disclosure Document has not been filed with Securities and Exchange Board of India (SEBI). The Securities have not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this document. It is to be distinctly understood that this document should not, in any way, be deemed or construed that the same has been cleared or vetted by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or the project for which the Issue is proposed to be made, or for the correctness of the statements made or opinions expressed in this document. The issue of Debentures being made on private placement basis, filing of this document is not required with SEBI; however SEBI reserves the right to take up at any point of time, with the Issuer Company, any irregularities or lapses in this document.

### DISCLAIMER OF THE SOLE ARRANGER

It is advised that the Issuer Company has exercised self due-diligence to ensure complete compliance of prescribed disclosure norms in this Disclosure Document. The role of the Sole Arranger in the assignment is confined to marketing and placement of the Debentures on the basis of this Disclosure Document as prepared by the Issuer Company. The Sole Arranger has neither scrutinized/ vetted nor has it done any due-diligence for verification of the contents of this Disclosure Document. The Sole Arranger shall use this document for the purpose of soliciting subscription from qualified institutional investors in the Debentures to be issued by the Issuer Company on private placement basis. It is to be distinctly understood that the aforesaid use of this document by the Sole Arranger should not in any way be deemed or construed that the document has been prepared, cleared, approved or vetted by the Sole Arranger; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this document; nor does it take responsibility for the financial or other soundness of the Issuer, its promoters, its management or any scheme or project of the Issuer Company. The Sole Arranger or any of its directors, employees, affiliates or representatives does not accept any responsibility and/or liability for any loss or damage arising of whatever nature and extent in connection with the use of any of the information contained in this document.

### DISCLAIMER OF THE ISSUER

The Issuer confirms that to the best of our knowledge and belief (and we have taken all reasonable care to ensure that such is the case) the information contained in this Disclosure Document is true and correct in all material respects and is not misleading in any material respect. All information considered adequate and relevant about the Issue and the Issuer Company has made available in this Disclosure Document for the use and perusal of the potential investors and no selective or additional information would be available for a section of investors in any manner whatsoever. The Issuer Company accepts no responsibility for statements made otherwise than in this Disclosure Document or any other material issued by or at the instance of the Issuer Company and anyone placing reliance on any other source of information would be doing so at his/her/their own risk.

### DISCLAIMER OF THE STOCK EXCHANGE

As required, a copy of this Disclosure Document has been submitted to the Bombay Stock Exchange Ltd. (hereinafter referred to as “BSE”) for hosting the same on its website. It is to be distinctly understood that such submission of the document with BSE or hosting the same on its website should not in any way be deemed or construed that the document has been cleared or approved by BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this document; nor does it warrant that this Issuer’s securities will be listed or continue to be listed on the Exchange; nor does it take responsibility for the financial or other soundness of the Issuer, its promoters, its management or any scheme or project of the Issuer Company. Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition, whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.



**I. NAME AND ADDRESS OF THE REGISTERED OFFICE OF THE COMPANY**

Name	Dishman Pharmaceuticals and Chemicals Limited
Registered Office	<b>Bhadr-Raj Chambers , Swastik Cross Road , Navrangpura , Ahemdabad -380009</b> Tel: (0091)-79-26443053 , 26445807 Fax : (0091)-79-26420198
Corporate Office:	<b>Bhadr-Raj Chambers , Swastik Cross Road , Navrangpura , Ahemdabad -380009</b> Tel: (0091)-79-26443053 , 26445807 Fax : (0091)-79-26420198
Website	<a href="http://www.dishmangroup.com">www.dishmangroup.com</a>

**Compliance Officer**

**Mr. Deepak Pandya**  
Dishman Pharmaceuticals and Chemicals Limited  
Bhadr-Raj Chambers, Swastik Cross Road,  
Navrangpura, Ahemdabad -380009  
Tel: (0091)-79-26443053, 26445807;  
Fax: (0091)-79-26420198  
Email: [deepak@dishmangroup.com](mailto:deepak@dishmangroup.com)

**Auditors of the Company**

**Deloitte Haskins & Sells**  
Chartered Accountants  
'Heritage', 3<sup>rd</sup> Floor, Near Gujarat Vidhyapith,  
Off Ashram Road, Ahmedabad - 380014



## II. NAMES AND ADDRESSES OF THE DIRECTORS OF THE COMPANY

The composition of the Board of Directors of the Company as on September 30, 2009 is as under:

Sr. No.	Name	Designation	Address	Directorship in other Companies
1.	Mr. Janmejy Rajnikant Vyas	Chairman & Managing Director	B-1/A, Rajhans Society, Nr. St. Xavier's College Corner, Ellisbridge, Ahmedabad – 380 006	<ul style="list-style-type: none"> <li>▪ Schutz Dishman Biotech Limited</li> <li>▪ B. R. Laboratories Limited</li> <li>▪ Bhadr-Raj Holdings Private Limited</li> <li>▪ Adimans Technologies Private Limited</li> <li>▪ Dishman Europe Limited</li> <li>▪ Dishman USA Inc.</li> <li>▪ Dishman International Trade (Shanghai) Co. Ltd.</li> <li>▪ Dishman FZE</li> <li>▪ Dishman Switzerland Limited</li> <li>▪ Dishman Infrastructure Limited</li> <li>▪ Dishman Pharma Solutions Limited</li> <li>▪ Carbogen Amcis AG</li> <li>▪ Dishman Pharmaceuticals &amp; Chemicals (Shanghai) Co. Ltd.</li> <li>▪ Carbogen Amcis (India) Limited</li> </ul>
2.	Mrs. Deohooti Janmejy Vyas	Whole-time Director	B-1/A, Rajhans Society, Nr. St. Xavier's College Corner, Ellisbridge, Ahmedabad – 380 006	<ul style="list-style-type: none"> <li>▪ Schutz Dishman Biotech Limited</li> <li>▪ B. R. Laboratories Limited</li> <li>▪ Bhadr-Raj Holdings Private Limited</li> <li>▪ Azafran Innovacion Private Limited</li> <li>▪ Adiman Technologies Private Limited</li> </ul>
3.	Mr. Arpit Janmejy Vyas	Whole-time Director	B-1/A, Rajhans Society, Nr. St. Xavier's College Corner, Ellisbridge, Ahmedabad – 380 006	<ul style="list-style-type: none"> <li>▪ Azafran Innovacion Private Limited</li> <li>▪ Schutz Dishman Biotech Limited</li> </ul>
4.	Mr. Yagnesh Bhagwati Prasad Desai	Director	321/322, Raheja Crest – 3, Off. New Link Road, Next to Time & Again Restrora, Lokhandwala, Andheri (West), Mumbai – 400 053	<ul style="list-style-type: none"> <li>▪ Deutsche Trustee Services (India) Private Limited</li> <li>▪ LIC Housing Finance Limited</li> <li>▪ Kabra Extrusionstechnik Limited</li> </ul>
5.	Mr. Sanjay Shailesh Majmudar	Director	24, Sumadur Society, Behind Ocean Park, Ambawadi, Ahmedabad – 380 015	<ul style="list-style-type: none"> <li>▪ Aarvee Denim and Exports Limited</li> <li>▪ AIA Engineering Limited</li> <li>▪ Carbogen Amcis (India) Limited</li> <li>▪ Keyur Financial Services Private Limited</li> <li>▪ Welcast Steels Limited</li> </ul>
6.	Mr. Ashok Chandrakant Gandhi	Director	2, Prabhat Society, Paldi, Ahmedabad – 380 007	<ul style="list-style-type: none"> <li>▪ Amol Dicalite Limited</li> <li>▪ Jayatma Spinners Limited</li> <li>▪ Aarvee Denims &amp; Exports Limited</li> <li>▪ Ahmedabad Steel Craft Limited</li> <li>▪ Gujarat Ambuja Exports Limited</li> <li>▪ MSK Projects (India) Limited</li> <li>▪ Mafatlal Industries Limited</li> </ul>

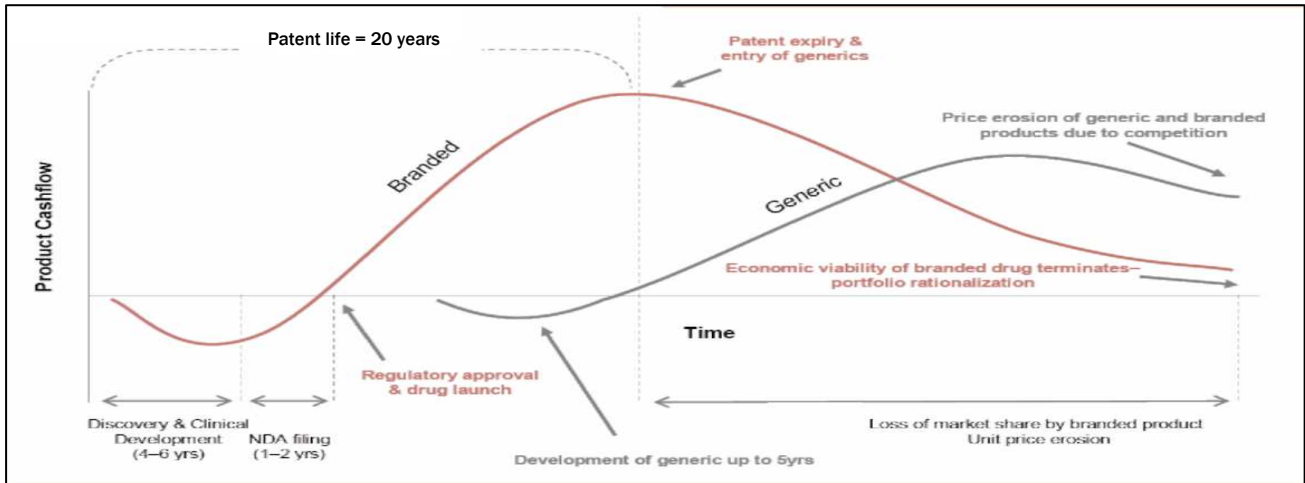


### III. BRIEF SUMMARY OF THE BUSINESS/ ACTIVITIES OF THE ISSUER AND ITS LINE OF BUSINESS

#### INDUSTRY OVERVIEW

The global generics pharma market grew approximately 12.6% in 2008 to about US\$106bn, which is about 14% of overall pharma (patented and generics) market. The growth 2008 was lower due to the global economic slowdown, which led to inventory rationalization on account of credit crunch. Between 2004 and 2008, the generics pharma market registered 18.8% CAGR vs 6.5% for the overall pharma sector. In the generics segment, the US is the largest market and accounting for about 41% of the global generics market. Indian generic companies are also growing at high double digit growth rate.

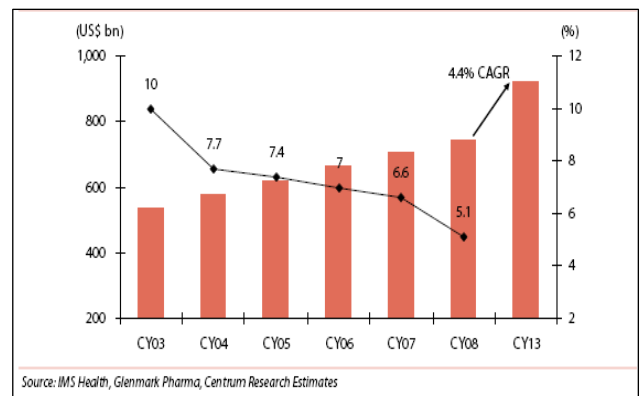
Life cycle of branded v/s generic drugs



Source: Cipla, Centrum Research

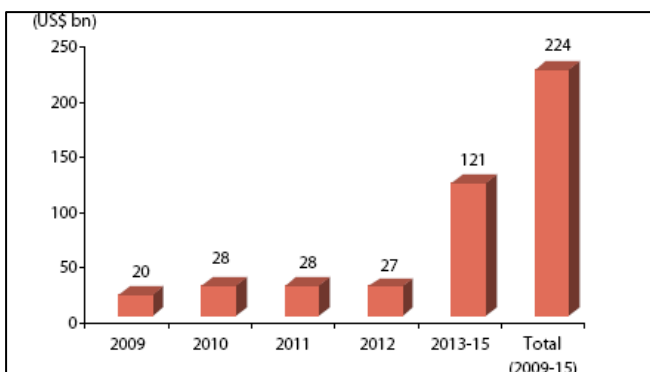
#### Global Pharmaceuticals market in transformation phase

The global pharma industry is undergoing a major change in terms of increasing focus on generic products, consolidation and in-licensing and out-licensing deals. Global pharma market grew at slower rate of 5.1% in 2008 to US\$743bn vs 7% in 2006 and 6.6% in 2007. The slowdown is expected to continue in 2009 because of increasing pressure on healthcare budgets. Escalating healthcare costs along with the expiry of patents of several drugs are expected to boost the introduction low-cost generic drugs. The global pharma market is expected to register 4.4% CAGR over 2008-13 to US\$922bn (Industry reports) and most of this growth would be fuelled by emerging markets like Asia, Commonwealth of Independent States (CIS) and Latin America. Developed markets like the US, EU and Japan are expected to witness subdued growth.



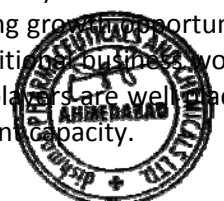
Source: IMS Health, Glenmark Pharma, Centrum Research Estimates

#### Patent expiries another growth triggers



We believe patent expiries over the next 3-5 years would provide significant opportunities for generic players - both for sustainable growth as well as one-time opportunities. Patents of drugs worth US\$224bn would expire over next six years (2009-15), indicating significant growth opportunity for generics, going forward. Generally, the expiry of a patent leads to heavy competition due to entry of generic players, which in turn results in significant price erosion (in some cases more than 90%). Even such high price erosion would also provide strong growth opportunity for generics and we expect about additional business worth

over US\$3bn every year for generics from patent expiries for next few years. Indian generic players are well placed to capitalize on this opportunity with ready regulatory filings, technical capabilities and sufficient capacity.

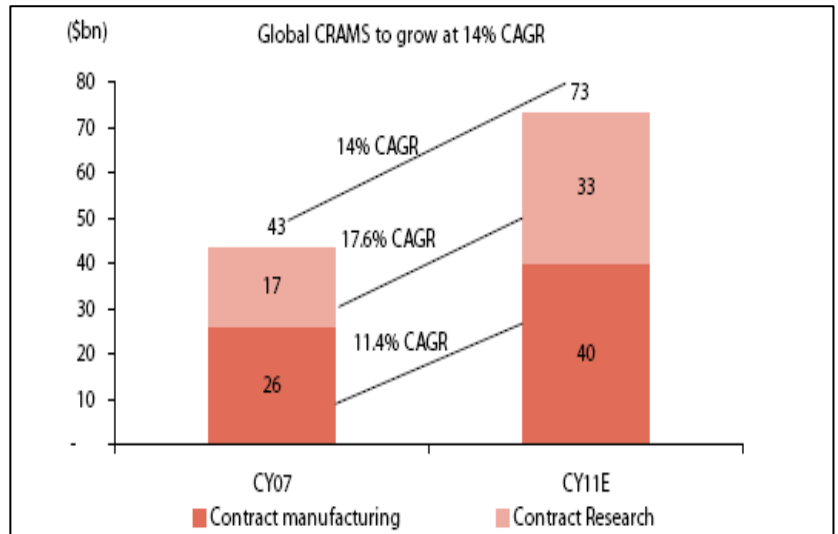




## Global CRAMS industry - an overview

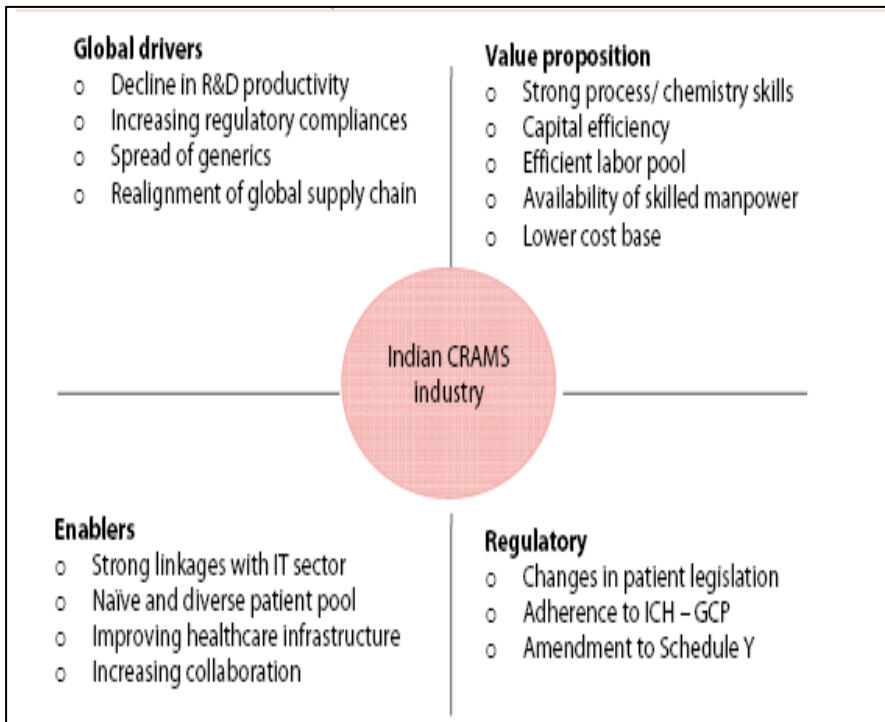
Earlier, outsourcing activities were mainly from small MNCs, but the success of this model resulted in even the big pharma MNCs adopting it. Now, most of the big pharma companies are involved in outsourcing their R&D and manufacturing activities to low cost countries like India, China etc. This model has helped them in reducing cost, improving productivity and to focus on commercialisation and to develop more cost effective business models. Following points may be construed as drivers for emergence of CRAMS:

Cost-cutting initiatives by major pharma MNCs like Pfizer, AstraZeneca, Glaxo Smithkline Pharmaceuticals (GSK), Bristol-Myers Squibb (BMS), Lilly, Merck, etc



- Restructuring of R&D and manufacturing functions to develop more cost-effective business
- The increase in the number of drugs going off patent has putting pressure on pharma MNCs to bring new innovative products
- Increasing generics penetration
- Pressure on governments worldwide to reduce healthcare costs
- The global CRAMS industry is expected to register 14% CAGR over 2007-11 to US\$73bn from US\$43bn (17.6% CAGR in contract research and 11.4% in contract manufacturing).

## Huge opportunity for India



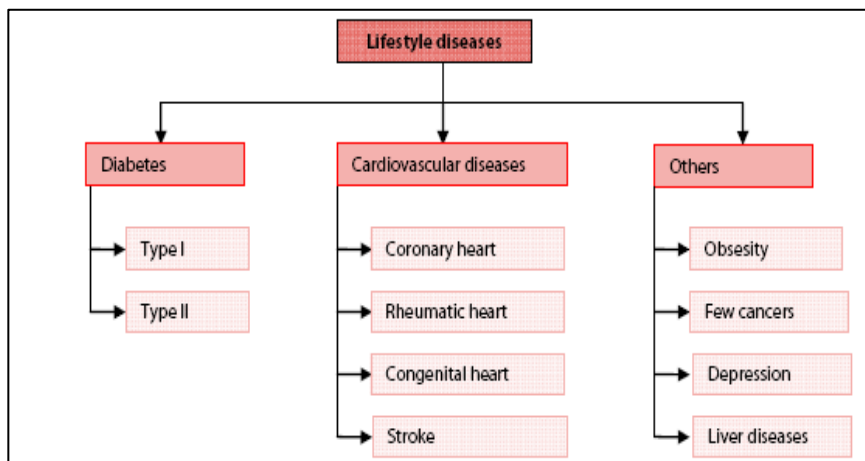
estimated at about US\$400mn in 2007 and is expected to grow to US\$3bn in 2015.

Currently, India's share in global CRAMS industry is less than 3% at about US\$1.1 bn. This means there's lot of scope for Indian pharma companies to enhance their CRAMS business with global partners. India has an advantage in terms of lower manufacturing and labour costs, regulatory advantage in terms of the largest number of USFDA-approved plants after the US and highest global DMF filings and lower clinical trials cost compared to other developed nations. According to industry sources, India is set to witness robust growth in this space and account for more than 7% of the global CRAMS market by 2013. India's contract manufacturing business was about US\$869mn in 2007 and is expected to register 37% CAGR over 2007-12. Contract research business was



## Growing eminence of lifestyle diseases

Over the past few years, there has been an increase in lifestyle-related diseases such as cardiac, anti-diabetic and gastro-intestinal. Changing lifestyles has led to a significant rise in diseases including high blood pressure, elevated cholesterol level, etc. Globally, these ailments have also been rising at a rapid pace and contributed about 20% to top 10 therapy segments. Diabetes, cardiovascular, asthma, obesity, few types of cancer etc are considered as lifestyle diseases. The prevalence of both these diseases in India is growing at an alarming rate due to increasing sedentary lifestyle and unhealthy eating habits of the people.



Lifestyle diseases offer sustainable sales and better operating margins as compared to acute segments. Apart from MNCs, Indian companies like Sun Pharma, Zydus Cadila, Lupin, Piramal Healthcare, Ipca Labs and Torrent Pharma derive a significant portion of their sales from these segments. Anti-diabetic market in India is expected to register 18% CAGR and cardiac segment 14.7% over 2009-15.



## CORPORATE HISTORY

Dishman was incorporated on June 29, 1983 as a private limited company under the Indian Companies Act, 1956 with the name Dishman Pharmaceuticals and Chemicals Private Limited, by Mr. Dilip Patel and Mr. J. R. Vyas. Subsequently, Dishman became a public company under the provisions of the Indian Companies Act, 1956 and on January 1, 1999, was renamed as Dishman Pharmaceuticals and Chemicals Limited. Dishman became a listed company on April 22, 2004, when their shares were listed on the BSE and the NSE.

Key milestones in the corporate history of Dishman are as follows:

Year	Achievements
1989	Commenced production and exports of QUATS with 10MT capacity
1990 - 95	Consolidation and Expansion to become a Global Leader in QUATS.
1996	Envisioned CRAMs as Core Focus area of Growth – planned State-of-Art facility new Green-field site of the international standard at Bavla
1997	Commenced the first production unit at new location, Bavla
1998	Established Marketing Subsidiaries in US and UK.
1999	Letter of Intent executed with Solvay for contract manufacturing of a recently patented API.
2003	Started commercial supplies to Solvay
2004	Rs 600 million IPO oversubscribed by 40 times Received various prestigious International Trade and Safety awards viz. Queens Awards by the British Government; British Safety Council Award. Registered as ISO 9001:2000; OSHAS 18001 and ISO 14001. Acquisition of Chemconserve, The Netherlands.
2005	Acquisition of Synprotec DCR, UK and Innovative Ozone Service Inc. (IO <sub>3</sub> S), a Swiss consultancy company.
2005	FCCB of US \$ 50 million issued at a coupon rate of 0.5 %.
2006	Acquired Carbogene and Amcis, two Switzerland-based companies engaged in contract research and manufacturer of Hypo Products. Commencement of operations in China and acquisition of an Industrial plot at China Established a Joint Venture in Saudi Arabia with CAG, ACDIMA and SPIMACO as partners. The technology and Intermediates to be supplied by Dishman. New R & D Centre commissioned at Bavla. Receipt of USFDA approval to manufacture API for Solvay. Commissioning of a New EOU Unit at Naroda.
2007	Establishment of a Joint Venture in Japan with AZURRO Corporation, Japan.
2008	Acquired specific business from Solvay Pharmaceuticals BV. . Dishman Infrastructure Ltd obtained the approval to set up Engineering and Pharmaceuticals and Chemicals Special Economic Zones in Gujarat.
2009	Implementation of Project Taurus, a large multipurpose US FDA approvable API plant at Bavla.
2010	Completion of the China US FDA approvable facility -Commencement of The Vitamin D Analogue expansion project at Veenendal, Netherlands. -commencement of the Largest HI PO Plant in Asia( under CA) at BAVLA



## **MAIN OBJECTS OF THE COMPANY (as per the Memorandum of Association)**

1. To carry on business of manufacturers, dealers, buyers, sellers, importers and exporters of pharmaceuticals, medicals and chemical preparations (including synthetic and other vitamin preparations) and drugs, compounds such as yeast, vitamins, hormones, protein, amino acids and preparations containing minerals and medicines.
2. To manufacture, buy, sell, import, export and otherwise deal in all types of medical and surgical instruments, equipments, tools and machineries.

## **BUSINESS OVERVIEW**

Dishman's present business is organized in the following two major segments: (i) Contract Research and Contract Manufacturing ("CRAM Segment") and (ii) QUATs and Speciality chemicals; Intermediates & APIs (Marketable Molecules or "MM Segment"). In addition, the Technology Transfer division helps the above two division to accelerate their growth.

In each of these segments, the Company undertakes "regular" and "customized" production. Regular production is the annual planned production of chemicals, intermediates and APIs marketed by them and their subsidiaries, while customized production is production of chemicals, intermediates and APIs undertaken by them based on long-term contracts or agreements entered into with the customers.

Details of Dishman's business segments are as follows:

### **Contract Research and Manufacturing Services (CRAMs):**

#### **Contract Manufacturing.**

CRAMs has been the growth driver for the Dishman for the last few years. On standalone basis, in FY 2009, the CM business contributed around 66 % of the total turnover, compared to 52 % of the total turnover during FY 2008. Further, in absolute terms, in FY 2009, the increase in CRAM business was around 1.5 times over FY 2008.

Dishman has been the pioneer in India for the CRAM concept. The Company's CRAM strategy has been focused on building long-term partnerships with innovator companies (companies which hold patents for products) for APIs and building blocks. Dishman's strategy to focus on the relatively much difficult patented drug segment is more profitable.

Dishman's contract manufacturing arrangement with Solvay developed the launch pad for the Company's CRAM business. Dishman supplies Eprosartan API and three other intermediates for Solvay. Eprosartan Mesylate (EM) is a product (marketed under Tevetan) for which GSK holds patent till 2013. Solvay acquired the rights to manufacture and market EM from GSK in 1999. Solvay approached Dishman to supply it with this product on toll-manufacturing basis, which got converted into a contract manufacturing arrangement in 2001. Consequently, the Company also started making intermediates for this product, based on the process technology developed in-house through its R & D efforts. The present contract manufacturing arrangement, which is valid till 2008, is automatically extended thereafter, as per the provisions of the contract.

Recognizing the dependence on Solvay for its CRAM business, Dishman has been steadily building its non-Solvay business by leveraging its extensive relationships from QUATs supply business. The Company now undertakes business for a number of MNCs.

#### **Contract Research**

Dishman undertakes Contract Research on either a pure commercial basis or as joint development partner. In the latter case, the research risk is shared with customers, with the understanding that upon commercialisation, the production of the intermediate/ API is awarded to Dishman by the customer as sole/preferred supplier. With past experience gained in R&D activities, coupled with the longstanding relationships with global MNC companies, Dishman considers CR as a precursor for obtaining Contract Manufacturing proposals. Dishman has built its CR capabilities inorganically through four acquisitions in Europe:

- **Synprotec** – based in UK with strong client base, the acquisition enabled Dishman to access prospects in late clinical development stages with commercialisation prospects in the near-to-medium term. The acquisition cost was around £2 Million for the entire IP and pilot scale manufacturing facilities of the company.



- Innovative Ozone Solution (IOS) - is a consultancy company focused on ozonolysis process. Ozonolysis based processes are becoming increasingly popular due to their ability to economically produce large volumes of complicated structures.
- Carbogen-Amcis (CA) – acquired for US\$ 74.50 Million on a debt-free basis from Sollutia. These two companies formed the pharmaceutical services businesses of Solutia Inc., a large chemical manufacturer in the US. Carbogen provides contract drug discovery research services and also possesses GMP approved APIs during clinical trials. Amcis on the other hand, provides contract manufacturing services for low-volume, high potency APIs. Amcis has CM contracts for nine APIs under long-term contracts. Both companies were merged as a precursor to the acquisition, which was consummated in August 2006.
- Vitamin D and Vitamin D Analogue business acquired from Solvay. - Dishman acquired from Solvay their non-core but profitable business of cholesterol; Vitamin D and Vitamin D analogues, at a cost of Euro 12 million, which includes not only fixed assets, working capital, technology but also R & D facilities for these products and assignment of long-term contracts entered into by Solvay with Galderma, which are Supply of APIs, License to use the technology and Trade Marks against the payment of royalty based on sales value..

In addition Dishman has commissioned State-of-Art R & D facility at Bavla.

Going forward, the company with the above acquisitions is intending to enhance the scale of CR offerings and compliment the CR activities through low-cost CM at its Indian facilities.

Since Carbogen AMICS is a strong Player in contract research and manufacturing and since it is having a major role in the over all growth strategy of Dishman an over view of Carbogen AMICS will be really helpful. The acquisition of Carbogen AMICS (CA) is a major turning point in the history of Dishman.

### **Overview of Carbogen Amcis AG (CA)**

CA is headquartered in Bubendorf, Switzerland, with R&D and manufacturing facilities at Aarau, Neuland and Bubendorf.

CA is a leading pharmaceutical services provider, offering a broad portfolio of services to the pharmaceutical and biopharmaceutical industry at all stages of drug development. CA differentiates itself by the quality of its technical capabilities and its integrated platform, including:

1. Process Research & Development (“R&D”) chemistry;
2. Process optimization and scale-up; and
3. Current Good Manufacturing Practice (“cGMP”) manufacturing capabilities for highly potent and other high-value Active Pharmaceutical Ingredients (“APIs”) up to and including commercial capabilities for niche scale APIs.

### **Marketable Molecules:**

This segment was Dishman’s core business in past and comprises manufacture of Quaternary Ammonium and Phosphonium compounds (QUATs), Active Pharma Ingredients (APIs) and Drug Intermediates.

**QUATs** are used as Phase Transfer Catalysts extensively in the Pharma industry to transfer a reactant from one phase to another. These compounds provide benefits in terms of initiating reaction, decreasing reaction time, decreasing reaction temperature, eliminating use of toxic solvents, facilitating separation of non-reacted reactants from products and enhancing yield by suppressing side reactions. Dishman is one of the largest and lower-cost producers of QUATs in the world and supplies to several global Pharma companies, which it has successfully leveraged for building its CRAMs business. Dishman produces these compounds in GMP compliant facility also, which makes its one of the preferred suppliers to global companies as GMP norms have been made mandatory from 2006 onwards in the regulated markets of US and European Union even for suppliers of inactive ingredients in a drug viz. QUATs.

**Intermediates and APIs** produced by Dishman find application in antiseptic detergents, preservation in eye drops, hospital disinfectants, as an active ingredient in the cosmetics and pharmaceutical industries, stimulant laxatives, cathartic, disinfectants and bactericidals, local anaesthetics, anti-arrhythmics, cholinesterase reactivators, antidotes (nerve gases and cholinesterase inhibitor type insecticides), anticancer drugs, and laxatives, amongst others.



The Company has developed expertise in the development, process optimization, scale up and GMP production of intermediates and APIs. Dishman's capabilities include eco friendly and cost effective synthesis route selection with respect to non-infringement for patents, laboratory process validation, optimization and validation of the process for successful scale-up from laboratory scale to commercial quantities. Pilot facilities are available at the facilities to carry out production of experimental quantities from a kilogram to hundreds of kilograms. At the production facilities, production is undertaken in multi-purpose and multi-product plants. The final steps of manufacture, like purification, drying and milling, are handled in separate clean room areas and often personalized to the most demanding customer needs.

### **MANUFACTURING FACILITIES**

Dishman has three manufacturing facilities in India, located near Ahmedabad, Gujarat. The facilities have their own independent utilities and services for products manufactured

- Dishman's first manufacturing facility was set-up at Naroda for manufacturing QUATs. This is a DTA Unit.
- Its second-facility was set-up at Bavla for manufacturing APIs and drug intermediates. The facility, which is on modular basis, is being expanded year after year by establishing separate independent manufacturing units along with incremental utility / service units. Bavla unit is designated as a 100% export oriented unit (EOU), leading to significant tax benefits.
- The third facility also located at Naroda nearer to Naroda DTA Unit is a 100% export oriented unit (EOU), leading to significant tax benefits.

In addition to all above, considering the additional tax benefits available to exporters from products manufactured and exported from Special Economic Zone areas (SEZ), and gradual withdrawal of tax benefits to EOU Units, Dishman proposes to establish green-field plants in the SEZ area. The land has been identified and advances paid. Dishman will establish green field State-of-Art self-contained production facilities with all requisite utilities / services units thereat.

Dishman's plants are cGMP compliant and approved by many global MNC pharma majors. The Bavla facility successfully availed USFDA approval in May 2006, thereby enabling the company to produce for the regulated US markets.

In addition to the manufacturing facilities in India, Dishman has production facility in Switzerland; Netherlands and is setting up the facility in China, which is expected to go in production in last quarter of FY 2010.



**IV. BRIEF HISTORY OF THE ISSUER SINCE ITS INCORPORATION GIVING DETAILS OF ITS ACTIVITIES INCLUDING ANY REORGANIZATION, RECONSTRUCTION OR AMALGAMATION, CHANGES IN ITS CAPITAL STRUCTURE, (AUTHORIZED, ISSUED AND SUBSCRIBED) AND BORROWINGS, IF ANY.**

**CAPITAL STRUCTURE** (as on March 31, 2009)

(Rs. in crores except per share data)

Sr. No.	Particulars	Aggregate Nominal Value	Issue Amount
<b>1.</b>	<b>Authorized Capital</b>		
	10,00,00,000 Equity shares of Rs. 2/- each	20.00	
<b>2.</b>	<b>Issued, Subscribed and Paid up Capital</b>		
i.	<b>8,06,97,136 Equity Shares</b> of Rs. 2/- each fully paid up (The subscribed and paid up capital includes 10,13,023 equity shares of Rs. 2/- each, allotted during the year, on conversion of 4,000 number of 0.5% Foreign Currency Convertible Bonds (FCCBs) of the principal amount of US\$ 4 million) (of the above shares 1,01,00,000 equity shares of Rs. 10/- each were issued as bonus shares by way of capitalization of reserves)		16.14
<b>3.</b>	<b>Present Issue Of Debentures Through This Disclosure Document</b>		
	Issue of 75 Secured Redeemable Non-Convertible Debentures (Debentures) of Rs. 1,00,00,000/- each in form of Separately Transferable Redeemable Principal Parts (STRPPs) of face value of Rs. 10,00,000/- each		75.00
<b>4.</b>	<b>Share Premium Account</b>		248.41
<b>5.</b>	<b>Loan Funds</b>		
i.	<b>Secured Loans</b>		232.19
ii.	<b>Unsecured Loans</b>		58.33
	<b>Total</b>		630.07



## SHARE CAPITAL HISTORY

### A. Equity Share Capital

Date of Issue	Type of Issue	Number of Equity Shares	Cumulative Amount (Rs.)	Face Value (Rs)	Issue Price	Form of Payment
29-Jun-83	Promoter	20	200	10.00	10.00	Cash
9-Jul-83	Promoter	20	400	10.00	10.00	Cash
27-Sep-86	Promoter	25000	250400	10.00	10.00	Cash
2-Jan-92	Promoter	64960	900000	10.00	10.00	Cash
30-Oct-93	Promoter	270000	3600000	10.00	10.00	Bonus
12-Nov-94	Promoter	630000	9900000	10.00	10.00	Bonus
17-Jan-95	Promoter	10000	10000000	10.00	10.00	Cash
15-Dec-95	Promoter	2000000	30000000	10.00	10.00	Bonus
1-Nov-96	Promoter	100000	31000000	10.00	10.00	Cash
14-Mar-98	Promoter	2050000	51500000	10.00	10.00	Bonus
10-Apr-00	Promoter	5150000	103000000	10.00	10.00	Bonus
18-Apr-04	Public	3433500	137335000	10.00	175.00	IPO Allotment
28-Oct-08	Public & Promoter	68667500	137335000	2.00	2.00	sub-division of Equity Shares of the face value of Rs.10/- each into five Equity Shares of the face value of Rs. 2/-
23-May-06	Public	126627	137588254	2.00	172.00	FCCB Conversion
17-Nov-06	Public	126627	137841508	2.00	172.00	FCCB Conversion
18-Dec-06	Public	126627	138094762	2.00	172.00	FCCB Conversion
12-Jan-07	Public	126627	138348016	2.00	172.00	FCCB Conversion
29-Jan-07	Public	1266279	140880574	2.00	172.00	FCCB Conversion
29-Jan-07	Public	253255	141387084	2.00	172.00	FCCB Conversion
29-Jan-07	Public	1519534	144426152	2.00	172.00	FCCB Conversion
16-Apr-07	Public	759767	145945686	2.00	172.00	FCCB Conversion
14-May-07	Public	126627	146198940	2.00	172.00	FCCB Conversion
18-Jun-07	Public	126627	146452194	2.00	172.00	FCCB Conversion
18-Jun-07	Public	253255	146958704	2.00	172.00	FCCB Conversion
18-Jun-07	Public	253255	147465214	2.00	172.00	FCCB Conversion
18-Jul-07	Public	1266279	149997772	2.00	172.00	FCCB Conversion
18-Jul-07	Public	253255	150504282	2.00	172.00	FCCB Conversion
18-Jul-07	Public	253255	151010792	2.00	172.00	FCCB Conversion
18-Jul-07	Public	253255	151517302	2.00	172.00	FCCB Conversion
18-Jul-07	Public	506511	152530324	2.00	172.00	FCCB Conversion
10-Sep-07	Public	253255	153036834	2.00	172.00	FCCB Conversion
29-Sep-07	Public	1013023	155062880	2.00	172.00	FCCB Conversion
25-Jan-08	Public	633139	156329158	2.00	172.00	FCCB Conversion
25-Jan-08	Public	506511	157342180	2.00	172.00	FCCB Conversion
17-Mar-08	Public	1013023	159368226	2.00	172.00	FCCB Conversion
28-Apr-08	Public	1013023	161394272	2.00	172.00	FCCB Conversion





**SHAREHOLDING PATTERN** (as on September 30, 2009)

Category Code	Category of Shareholder	No. of Holders	Total No. of Shares	% of Shareholding
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>			
(1)	<b>Indian</b>			
(a)	Individuals / Hindu Undivided Family	9	4,84,41,469	60.03
(b)	Bodies Corporate	1	6,00,000	0.74
	<b>Sub Total (A)(1)</b>	<b>10</b>	<b>4,90,41,469</b>	<b>60.77</b>
(2)	<b>Foreign</b>			
(a)	Individuals (Non-Residents Individuals / Foreign Individuals)	-	-	-
	<b>Sub Total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)</b>	<b>10</b>	<b>4,90,41,469</b>	<b>60.77</b>
<b>(B)</b>	<b>Public Shareholding</b>			
(1)	<b>Institutions</b>			
(a)	Mutual Funds / UTI	65	1,21,42,020	15.05
(b)	Financial Institutions / Banks	35	75,38,834	9.34
	<b>Sub Total (B)(1)</b>	<b>100</b>	<b>1,96,80,854</b>	<b>24.39</b>
(2)	<b>Non-Institutions</b>			
(a)	Bodies Corporate	440	84,77,964	10.50
(b)	<b>Individuals</b>			
i	Individual shareholders holding nominal share capital up to Rs.1 lakh	11,136	20,39,561	2.53
ii	Individual shareholders holding nominal share capital in excess of Rs.1 lakh.	2	4,72,746	0.59
(c)	<b>Any Others (Specify)</b>	<b>655</b>	<b>9,84,542</b>	<b>1.22</b>
i	Clearing Members	349	6,39,699	0.79
ii	Trust	2	169	-
lii	Non Resident Indians	304	3,44,674	0.43
	<b>Sub Total (B)(2)</b>	<b>12,233</b>	<b>1,19,74,813</b>	<b>14.84</b>
	Total Public shareholding (B) = (B)(1)+(B)(2)	12,333	3,16,55,667	39.23
	<b>Total (A)+(B)</b>	<b>12,343</b>	<b>8,06,97,136</b>	<b>100.00</b>
<b>(C)</b>	<b>Shares held by Custodians and against which Depository Receipts issued</b>	-	-	-
	<b>Total (A)+(B)+(C)</b>	<b>12,343</b>	<b>8,06,97,136</b>	<b>100.00</b>



## V. SECURITIES TO BE ISSUED AND LISTED UNDER CURRENT DOCUMENT

Under the purview of current document, the Company intends to raise an amount of upto Rs. 75 Crores of Rated, Secured, Taxable, Redeemable Non-Convertible Debentures (Debentures) in form of Separately Transferable Redeemable Principal Parts (STRPPs).

The company has a valid rating of '**CARE AA-**' by Credit Analysis and Research Limited. As per the details given below, the rating letter is enclosed at the end of this document.

Detailed term sheet of the debenture issue is given below in this document.

**CREDIT RATING:** The NCDs are rated "CARE AA-" by Credit Analysis & Research Limited (CARE) rating letter dated January 16, 2010. Instruments with this rating are considered to offer high safety for timely servicing of debt obligations. Such instruments carry very low credit risk.

The rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The ratings obtained are subject to revision at any point of time in the future. The rating agency has the right to suspend, withdraw the rating at any time on the basis of new information etc.



## VI. DETAILS OF ISSUE SIZE

The Company proposes to mobilize through private placement of Secured Redeemable Non-Convertible Debentures of face value of Rs. 1,00,00,000/- in form of Separately Transferable Redeemable Principal Parts (STRPPs) of face value of Rs. 10,00,000/- each at par aggregating upto Rs. 75.00 Crores.

### Summary Term Sheet

Particulars	Terms
<b>Issuer/Borrower</b>	<b>Dishman Pharmaceuticals and Chemicals Limited</b>
<b>Issue Size</b>	<b>Upto Rs. 75 Crores.</b>
<b>Nature of Instrument</b>	<b>Rated, Secured, Taxable, Redeemable Non-Convertible Debentures ('NCD'/' Debentures') in form of Separately Transferable Redeemable Principal Parts (STRPPs)</b>
<b>Credit Rating</b>	"Care AA-" by Credit Analysis & Research Limited (CARE)
<b>Instrument Form</b>	Only in Dematerialized Form
Denomination of Instrument/Face Value per NCD	Debentures shall have face value of Rs. 1,00,00,000/- each
No. of Debentures	75 (Seventy Five ) Debentures
<b>Tenure</b>	As per Termsheet
<b>Coupon Rate</b>	As per Termsheet
<b>Interest Payment</b>	As per Termsheet
<b>Redemption</b>	As per Termsheet
<b>Deemed Date of Allotment</b>	As per Termsheet
<b>Interest on application money</b>	At the respective coupon rate on each "Debenture" (subject to deduction of tax of source, as applicable) from the date of realization of cheque(s) / demand draft(s) up to one day prior to the Deemed Date of Allotment.
<b>Security</b>	First Pari - passu charge on the immovable and Moveable Fixed Assets of the Company situated at Mouje, Village Lodariyal, Taluka Sanand, District Ahmedabad; which are already charged on first pari passu basis to the existing 6 term lenders, with a minimum asset cover of 1.25 times to be maintained during the tenure of the NCDs.
<b>Listing</b>	Proposed on the WDM Segment of BSE.
<b>Trustees</b>	IDBI Trusteeship Services Limited
<b>Issue Opens on</b>	As per Termsheet
<b>Issue Closes on</b>	As per Termsheet



## VII. DETAILS OF UTILISATION OF PROCEEDS OBJECTS OF THE ISSUE

The current borrowing program will be used to augment the medium to long term resources of the Company, including regular capital expenditure, (not constituting a project) and retirement of high cost debt.

The expenses of the present issue would also be met from the Proceeds of the Issue. The Main Object Clause of the Memorandum of Association of the Company enables it to undertake the activities for which the funds are being raised through the present issue and also the activities, which the Company has been carrying on till date. The Proceeds of this Issue after meeting all expenses of the Issue will be used by the Company for meeting issue objects.

## VIII. MATERIAL CONTRACTS INVOLVING FINANCIAL OBLIGATION OF THE COMPANY

By very nature of its business, the Issuer Company is involved in a large number of transactions involving financial obligations and therefore it may not be possible to furnish details of all material contracts and agreements involving financial obligations of the Issuer Company. However, the contracts referred to in Para A below (not being contracts entered into in the ordinary course of the business carried on by the Issuer Company) which are or may be deemed to be material have been entered into by the Issuer Company. Copies of these contracts together with the copies of documents referred to in Para B may be inspected at the Registered & Corporate Office of the Issuer Company between 10.00 a.m. and 2.00 p.m. on any working day until the issue closing date.

### A. MATERIAL CONTRACTS

- a. Copy of letter appointing Registrar and Transfer Agents (RTA) and copy of MOU entered into between the Issuer Company and the RTA.
- b. Copy of letter appointing IDBI Trusteeship Services Ltd. (ITSL) as Trustee to the Debenture holders.

### B. DOCUMENTS

- a. The Memorandum and Articles of Association of the Company, as amended from time to time.
- b. Certificate of Incorporation of the Company.
- c. Certificate of Commencement of Business.
- d. Board Resolution dated January 12, 2010, authorizing issue of Debentures offered under terms of this Disclosure Document.
- e. AGM Resolution providing for the Borrowing Powers of the Company.
- f. Letter of consent from IDBI Trusteeship Services Limited for acting as Trustee for and on behalf of the holder(s) of the Debentures.
- g. Letter of consent from Link Intime India Private Limited for acting as Registrar to the Issue.
- h. Copy of application made to the BSE for grant of in-principle approval for listing of Debentures.
- i. Annual Reports of the Issuer Company for the last five years.
- j. Letter from CARE conveying the credit rating for the Debentures of the Issuer Company and the rating rationale pertaining thereto.



**IX. DETAILS OF BORROWINGS IN THE PAST**
**Statement of Secured Term Loans/Unsecured Instruments as on September 30, 2009:**
**(Rs. In Crs)**

Sr. No.	Description of loan	Sanctioned Limit	Outstanding Balance as on 30.09.2009	Repayment Schedule					Security
				2009-10	2010-11	2011-12	2012-13	2013-14	
<b>A) Secured Loans</b>									
1.	Rabo Bank, Singapore	38.18	18.04	3.77	9.51	4.76			Pledge of company's share in WOS, Dishman Pharma Solutions,AG
2.	Bank of India, London	64.60	56.36	13.32	21.52	21.52			Pari Passu First Charge on Company's Fixed Assets At Bavla
3.	IDBI Bank	35.00	24.50	3.50	7.00	7.00	7.00		
4.	Indusind Bank	50.00	50.00	5.44	11.76	11.76	11.76	9.28	
5.	DBS Bank, Singapore	48.11	48.11		3.45	8.91	10.35	10.35	
6.	IFC, Washington	72.15	43.30				10.61	10.61	
7.	Bank of Maharashtra	20.00	20.00		5.00	5.00	5.00	5.00	Hire Purchase Against Specific Vehicle
5.	Hire Purchase Loan	1.27	0.88	0.40	0.41	0.07			
<b>Sub Total (A)</b>		<b>329.31</b>	<b>261.19</b>	<b>26.43</b>	<b>58.65</b>	<b>59.02</b>	<b>44.72</b>	<b>35.24</b>	
<b>B) Unsecured Loans</b>									
1.	Bank of India	10.00	10.00	10.00					
2.	HDFC Bank	25.00	12.85	12.85					
3.	Standard Chartered	15.00	7.06	7.06					
4.	Bank of Baroda	25.00	20.00	20.00					
5.	Corporation Bank	15.00	5.00	5.00					
6.	ICICI Bank	25.00	25.00	25.00					
4.	LIC of India (against Key-man insurance policy)	5.45	5.45						
5.	FCCB		12.03		12.03				
6.	From Directors		0.01	0.01					
<b>Sub Total (B)</b>		<b>120.45</b>	<b>97.40</b>	<b>79.92</b>	<b>12.03</b>				
<b>GRAND TOTAL (A+B)</b>		<b>449.79</b>	<b>358.59</b>	<b>106.35</b>	<b>70.68</b>	<b>59.02</b>	<b>44.72</b>	<b>35.24</b>	



**Secured Non-Convertible Debentures**

(Rs. in crores)

Sr. No.	Date of Allotment	No of Debentures	Rate of Interest	Amount	Date of Redemption
		<b>None</b>			

**Unsecured Non-Convertible Debentures**

(Rs. in crores)

Sr. No.	Date of Allotment	No of Debentures	Rate of Interest	Amount	Date of Redemption
		<b>None</b>			

**Unsecured Non-Convertible Subordinated Debentures**

(Rs. in crores)

Sr. No.	Date of Allotment	No of Debentures	Rate of Interest	Amount	Date of Redemption
		<b>None</b>			

**X. MATERIAL DEVELOPMENT**

The Issuer Company hereby declares that there has been no material event, development or change at the time of issue which may affect the issue or the investor's decision to invest/ continue to invest in the debt securities of the Issuer Company.

**XI. DEBT SECURITIES ISSUED FOR CONSIDERATION OTHER THAN CASH, AT PREMIUM OR AT DISCOUNT, IN PURSUANCE OF AN OPTION.**

The Issuer Company hereby confirms that it has not issued any debt securities or agreed to issue any debt securities for consideration other than cash, whether in whole or in part, at a premium or discount or in pursuance of an option since inception.



**XII. TOP 10 HOLDERS OF EACH CLASS AND KIND OF SECURITIES (As on Sept 30, 2009)**
**Equity Shares**

Sr. No.	Shareholder(s)	Number of Equity Shares	Percentage (%)	Address of the shareholder
1.	Janmejy Rajnikant Vyas	2,50,42,900	31.03	IIInd Floor, Bhadra-Raj, Chambers,Swastik Cross Rd, Navrangpura, Ahmedabad - 380 009
2.	Arpit Janmejy Vyas	1,23,24,300	15.27	IIInd Floor, Bhadra-Raj, Chambers,Swastik Cross Rd, Navrangpura, Ahmedabad - 380 009
3.	Deohooti Janmejy Vyas	1,09,64,500	13.59	IIInd Floor, Bhadra-Raj, Chambers,Swastik Cross Rd, Navrangpura, Ahmedabad - 380 009
4.	HDFC Standard Life Insurance Company Limited	55,98,819	6.94	C/O Hdfc Bank Ltd. Custody Services Trade World A-Wing Ground Floor Kamala Mills Comp S B Marglower Parel, Mumbai - 400 013
5.	HDFC Trustee Company Limited -HDFC Equity Fund	21,08,207	2.61	Citibank Na, Custody Services 77, Ramnord Housedr.A.B. Road, Worli, Mumbai - 400 018
6.	Nomura India Investment Fund Mother Fund	15,15,716	1.88	Citibank Na, Custody Services 77, Ramnord Housedr.A.B. Road, Worli, Mumbai - 400 018
7.	Federated Kaufmann Fund	13,67,900	1.70	DB House, Hazarimal Somani Margfort, Post Box - 1142, Mumbai - 400 001
8.	Blackrock India Equities Fund (Mauritius) Limited	11,04,157	1.37	DB House, Hazarimal Somani Margfort, Post Box - 1142, Mumbai - 400 001
9.	HDFC Trustee Company Limited -HDFC Prudence Fund	9,88,087	1.22	Citibank Na, Custody Services 77, Ramnord Housedr.A.B. Road, Worli, Mumbai - 400 018
10.	HDFC Trustee Company Limited - A/c. HDFC Mid Cap Opportunities Fund	8,46,375	1.05	C/O Hdfc Bank Ltd. Custody Services Trade World A-Wing Ground Floor Kamala Mills Comp S B Marglower Parel, Mumbai - 400 013



### XIII. UNDERTAKING TO USE A COMMON FORM OF TRANSFER

The normal procedure for transfer of securities held in dematerialized form shall be followed for transfer of these debentures held in electronic form. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant. The Issuer undertakes that there will be a common transfer form / procedure for transfer of Debentures.

### XIV. REDEMPTION AMOUNT, PERIOD OF MATURITY, YEILD ON REDEMPTION

<b>Tenor</b>	As per Termsheet
<b>Coupon Rate</b>	As per Termsheet
<b>Redemption Date</b>	As per Termsheet
<b>Depository</b>	NSDL /CDSL
<b>Security</b>	First Pari - passu charge on the immovable and Moveable Fixed Assets of the Company situated at Mouje, Village Lodariyal, Taluka Sanand, District Ahmedabad; which are already charged on first pari passu basis to the existing 6 term lenders, with a minimum asset cover of 1.25 times to be maintained during the tenure of the NCDs.
<b>Settlement</b>	Payment of interest and principal will be made by way of Cheque(s)/interest warrant (s)/demand draft(s)/ RTGS.





**XV. TERMS OF OFFER**

<b>Issuer</b>	<b>Dishman Pharmaceuticals and Chemicals Limited</b>
<b>Issue Size</b>	Upto Rs. 75.00 crores
<b>Instrument</b>	Rated, Secured, Taxable, Redeemable Non-Convertible Debentures ('NCD'/'Debentures') in form of Separately Transferable Redeemable Principal Parts (STRPPs)
<b>Issuance Form</b>	In Dematerialized Form
<b>Credit Rating</b>	'CARE AA-' By CARE
<b>Security</b>	First Pari - passu charge on the immovable and Moveable Fixed Assets of the Company situated at Mouje, Village Lodariyal, Taluka Sanand, District Ahmedabad; which are already charged on first pari passu basis to the existing 6 term lenders, with a minimum asset cover of 1.25 times to be maintained during the tenure of the NCDs.
<b>Face Value / Issue Price per NCD</b>	Debentures shall have face value of Rs. 1,00,00,000/- each
<b>Minimum Application</b>	1 Debenture and in multiples of 1 Debenture thereafter
<b>Tenure</b>	As per Termsheet
<b>Redemption/ Maturity</b>	As per Termsheet
<b>Coupon Rate</b>	As per Termsheet
<b>Interest Payment</b>	As per Termsheet
<b>Listing</b>	Proposed on the Wholesale Debt Market (WDM) Segment of the Bombay Stock Exchange (BSE)
<b>Trustee</b>	IDBI Trusteeship Services Limited
<b>Depository</b>	National Securities Depository Ltd(NSDL) / Central Depository Services (India) Limited (CDSL)
<b>Interest on Application Money</b>	At the respective coupon rate on each "Debenture" (subject to deduction of tax of source, as applicable) from the date of realization of cheque(s) / demand draft(s) up to one day prior to the Deemed Date of Allotment.
<b>Issue Opens on</b>	As per Termsheet
<b>Issue Closes on</b>	As per Termsheet
<b>Deemed Date of Allotment</b>	As per Termsheet

**Governing Law & Provisions**

The Debentures offered are subject to provisions of the Companies Act, 1956, Securities Contract Regulation Act, 1956, terms of this Disclosure Document, Instructions contained in the Application Form and other terms and conditions as may be incorporated in the Trustee Agreement and the Trust Deed. Over and above such terms and conditions, the Debentures shall also be subject to the applicable provisions of the Depositories Act 1996 and the laws as applicable, guidelines, notifications and regulations relating to the allotment & issue of capital and listing of securities issued from time to time by the Government of India (GoI), Securities & Exchange Board of India (SEBI), concerned Stock Exchange or any other authorities and other documents that may be executed in respect of the Debentures. Any disputes arising out of this issue will be subject to the exclusive jurisdiction of the Court at Ahmedabad, Gujarat.



### **Authority for the Placement**

This private placement of Debentures is being made pursuant to the resolution of the Board of Directors passed at its meeting held on January 12, 2010, which has approved the placement of Debentures upto Rs 75.00 Crores. The present issue of upto Rs. 75.00 Crores is within the general borrowing limits in terms of the resolution passed under Section 293(1)(d) of the Companies Act, 1956, at the Extra ordinary General Meeting of the shareholders of the Company held on June 3, 2005 giving their consent to the borrowing by the Directors of the Company from time to time upto Rs. 750.00 Crores subject to any restrictions imposed by the terms of the agreement entered into from time to time for grant of loans to the Company of all monies deemed by them to be requisite or proper for the purpose of carrying on the business of the Company. The borrowings under these Debentures will be within the prescribed limits as aforesaid.

The Company can carry on its existing activities and future activities planned by it in view of the existing approvals, and no further approvals from any Government authority are required by the Company to carry on its said activities except the statutory / regulatory approvals which are required to be taken in future for any future activities consequent to expansion of the existing activities or otherwise.

### **Face Value, Issue Price, Effective Yield for Investor**

As each Debenture has a face value of Rs. 1,00,00,000/- and is issued at par i.e. for Rs. 1,00,00,000/-. Each Debenture of Rs. 1,00,00,000/- shall comprise of 10 Detachable and Separately Transferable Redeemable Principal Parts ("STRPPs") of face value of Rs. 10,00,000/- each redeemable at par. Since there is no premium or discount on either issue price or on redemption value of the Debenture, the effective yield for the investors held to maturity shall be the same as the coupon rate on the Debentures.

### **Minimum Subscription**

As the current issue of Debentures is being made on private placement basis, the requirement of minimum subscription shall not be applicable and therefore the Company shall not be liable to refund the issue subscription(s)/ proceed(s) in the event of the total issue collection falling short of issue size or certain percentage of issue size.

### **Deemed Date of Allotment**

Interest on Debentures shall accrue to the Debenture holder(s) from and including the deemed date of allotment that will be notified in the term sheet. All benefits relating to the Debentures will be available to the investors from the Deemed Date of Allotment. The actual allotment of Debentures may take place on a date other than the Deemed Date of Allotment. The Company reserves the right to keep multiple allotment date(s)/ deemed date(s) of allotment at its sole and absolute discretion without any prior notice. In case if the issue closing date is changed (pre-poned/ postponed), the Deemed Date of Allotment may also be changed (pre-poned/ postponed) by the Company at its sole and absolute discretion.

### **Credit Rating**

The NCDs are rated 'CARE AA-' By CARE (pronounced as 'CARE Double A Minus') by Credit Analysis and Research Limited vide their letter dated January 16, 2010. Instruments with this rating are considered to offer high safety for timely servicing of debt obligations. Such instruments carry very low credit risk.

Please note that the rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The rating obtained is subject to revision at any point of time in the future. The rating agencies have a right to suspend, withdraw the rating at any time on the basis of new information etc.

### **Underwriting**

The present Issue of Debentures on private placement basis has not been underwritten.

### **Listing**

Listing is proposed on the Wholesale Debt Market segment of Bombay Stock Exchange (BSE).



### **Security**

The Debentures, interest thereon, and all other monies relating thereto shall be secured by way of First Pari - passu charge on the immovable and Moveable Fixed Assets of the Company situated at Mouje, Village Lodariyal, Taluka Sanand, District Ahmedabad, which are already charged on first pari passu basis to the existing 6 term lenders, with a minimum asset cover of 1.25 times to be maintained during the tenure of the NCDs. Subject to compliance to the Companies Act, 1956, The issuer would endeavor to create the said security in favour of the Trustees within 3 months from the deemed date of allotment of the Debentures but in any case, not exceeding 6 months from the deemed date of allotment.

The actual form, mode and method of security creation shall be decided in mutual consultation with the Trustees. The Company shall at all times in consultation of the trustees maintain a minimum asset cover of 1.25 times of the value of the outstanding Debentures proposed to be issued by the company under the current disclosure document.

The Security will be created by the Company as aforesaid in favour of the Trustees on such of the assets for which the Company obtains, the requisite consents and permissions applicable under law or in accordance with conditions of holding of such assets for creating the above mentioned charge. The creation of such security shall be sufficient compliance of the Company's obligation to create security.

The trustee shall provide consent to create pari-passu charge in future.

### **Record Date**

The 'Record Date' for the Debentures shall be 15 days prior to each interest payment and/ or principal repayment date.

### **Market Lot**

The market lot shall be one STRPPs/Debentures Series of face value of Rs. 10.00 Lakhs each ("Market Lot"). Since the STRPPs are being issued only in dematerialised form, the odd lots will not arise either at the time of issuance or at the time of transfer of STRPPs.

### **Interest on Application Money**

Interest at the respective coupon rate (as per term sheet) (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactments thereof, as applicable) will be paid to all the applicants on the application money for the Debentures. Such interest shall be paid from the date of realisation of cheque(s)/ demand draft(s)/ RTGS upto one day prior to the Deemed Date of Allotment. The interest on application money will be computed on an Actual/ 365 day basis (366 in case of leap year) Such interest would be paid on all the valid applications. Where the entire subscription amount has been refunded, the interest on application money will be paid along with the Refund Orders. Where an applicant is allotted lesser number of debentures than applied for, the excess amount paid on application will be refunded to the applicant along with the interest on refunded money.

The interest cheque(s)/ demand draft(s) for interest on application money (along with Refund Orders, in case of refund of application money, if any) shall be dispatched by the Company within 15 days from the Deemed Date of Allotment by registered post to the sole/ first applicant, at the sole risk of the applicant.

### **Interest on NCDs**

The Debentures shall carry interest (as notified in the term sheet) (subject to deduction of tax at source at the rates prevailing from time to time under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof for which a certificate will be issued by the Company) payable to the holders of Debentures (the "Holders" and each, a "Holder") as of the relevant Record Date. The interest payable on any Interest Payment Date will be paid to the debentureholder(s) whose names appear in the List of Beneficial Owners given by the Depository to the Company as on the Record Date.

The first interest period is defined as the actual number of days falling between the Deemed Date of Allotment (as notified in the term sheet) to \_\_\_\_\_ including both the first date and the last date. The first interest payment would be made on \_\_\_\_\_.



The second and subsequent interest period (except the last interest period) is defined as the actual number of days in a year as 365 (366 in case of a leap year) between \_\_\_\_\_ and \_\_\_\_\_, including both the days and so on.

The last interest period is defined as the actual number of days falling between \_\_\_\_\_ and redemption date including the first date and one day prior to the last date. The last interest payment would be made on the redemption date along with the redemption of principal amount.

If any interest payment date falls on a day which is not a Business Day ('Business Day' being a day on which Commercial Banks are open for Business in the city of Ahmedabad, Gujarat) then payment of interest will be made on the next day that is a business day but without liability for making payment of interest for the intervening period.

In case the Deemed Date of Allotment is revised (pre-poned/ postponed) then the above Interest Payment Date may also be revised (pre-poned/ postponed) accordingly by the Company at its sole & absolute discretion.

### **Computation of Interest**

Interest for each of the interest periods shall be calculated, on 'actual/ 365 (366 in case of a leap year) days' basis, on the face value of principal outstanding on the Debentures at the coupon rate rounded off to the nearest Rupee.

### **Tax Deduction at Source**

Tax as applicable under the provisions of Income Tax Act, 1961, or any other applicable statutory modification or re-enactments thereof will be deducted at source at the time of payment of interest/principal amount. The investor(s) desirous of claiming exemption from deduction of income tax at source on the interest on application money are required to submit the necessary certificate(s) as applicable thereof, in duplicate, along with the Application Form in terms of Income Tax rules.

Interest payable subsequent to the Deemed Date of Allotment of Debentures will be treated as "Interest on Securities" in accordance with the provisions of Income Tax Rules. Debenture holders desirous of claiming exemption from deduction of income tax at source on the interest payable on Debentures should submit tax exemption certificate/ document, as per Section 193 of the Income Tax Act, 1961, if any, at the Registered Office of the Company, at least 45 days before the due date of payment.

Regarding deduction of tax at source and the requisite declaration forms to be submitted, prospective investors are advised to consult their own tax consultant(s).

Failure to comply with the above shall entitle the Company to deduct tax at source as may be advised to it.

### **Debentures in Dematerialized Form**

The Company has finalized Depository Arrangements with National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) for dematerialization of the Debentures. The investor has to necessarily hold the Debentures in dematerialized form and deal with the same as per the provisions of Depositories Act, 1996 (as amended from time to time). The normal procedures followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debentures held in electronic form. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

Applicants to mention their Depository Participant's name, DP-ID and Beneficiary Account Number/Client ID in the appropriate place in the Application Form. In case the depository arrangement is finalised before the completion of all legal formalities for issue of Debenture Certificates, Debentures to successful allottee(s) having Depository Account shall be credited to their Depository Account against surrender of Letter of Allotment.

Interest or other benefits with respect to the Debentures would be paid to those Debenture holders whose names appear on the list of beneficial owners given by the Depositories to the Issuer as on a record date/book closure date. The Issuer would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and informed to the Issuer where upon the interest/benefits will be paid to the beneficiaries within a period of 30 days.



### **Transfer of Debentures**

Debentures shall be transferred subject to and in accordance with the rules/ procedures as prescribed by the NSDL/CDSL Depository Participant of the transferor/ transferee and any other applicable laws and rules notified in respect thereof. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debentures held in electronic form. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

Transfer of Debentures to and from NRIs/ OCBs, in case they seek to hold the Debentures and are eligible to do so, will be governed by the then prevailing guidelines of RBI. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/ redemption will be made to the person, whose name appears in the records of the Depository. In such cases, claims, if any, by the transferee(s) would need to be settled with the transferor(s) and not with the company.

### **Payment of Redemption**

Each Debenture of Rs. 1,00,00,000 shall comprise of 10 Detachable and Separately Transferable Redeemable Principal Parts ("STRPPs") of face value of Rs. 10,00,000/- each redeemable at par at the end of their respective maturity as specified in the term sheet.

The amounts due on redemption will be paid to the registered Debenture holder(s) whose name(s) is / are recorded in the books of the Company and in the case of joint holders, to the one whose name stands first in the Register of Debenture holders. In the event of the Company not receiving any notice of transfer along with the original Debenture certificates at least thirty calendar days before the due date of redemption, the transferee(s) for the Debentures shall not have any claim against the Company in respect of the redemption amount paid to the registered Debenture holder(s). The redemption of the Debentures shall be made only against the surrender of the Debenture Certificate(s), duly discharged, by the Debenture holder(s). For this purpose, the Debenture holder(s) should discharge the Debenture Certificate(s) and lodge the same along with the Power of Attorney or such other authority as may be required by the Company from time to time, if the discharge shall have been made by a person authorized in that behalf.

All payments shall be made payable at Ahmedabad. If the due date for payment of the principal falls on a Sunday or any other holiday or a non clearing day, the payment shall be made by the Company on the next working day and no interest shall be payable by the Company for any delay on account thereof.

### **Right to Reissue Debenture(s)**

The Company will have the power, as provided for under the Companies Act, 1956, exercisable at its absolute discretion from time to time to repurchase some or all the Debenture at any time prior to the specified date of maturity as per the prevailing guidelines/regulations of Reserve Bank of India and other Authorities. This right does not construe a call option. In the event of the Debenture being bought back, or redeemed before maturity in any circumstance whatsoever, the Company shall be deemed to always have the right, subject to the provisions of Section 121 of the Companies Act, 1956 to re-issue such Non-convertible debenture either by re-issuing the same Debenture or by issuing other Non-convertible debenture in their place.

The Company may also, at its discretion and as per the prevailing guidelines/regulations of Reserve Bank of India and other Authorities at any time purchase Secured Non Convertible Debenture at discount, at par or at premium in the open market. Such Secured Non Convertible Debenture may, at the option of Company, be cancelled, held or resold at such price and on such terms and conditions as the Company may deem fit and as permitted by Law.

### **Future Borrowings**

The Company will be entitled to borrow/raise loans or avail of financial assistance in whatever form including issue of Debentures/ other securities in any manner having such ranking in priority, *pari passu* or otherwise and change the capital structure including the issue of shares of any class, on such terms and conditions as the Company may think appropriate, without having any need to obtain the consent of, or intimation to, the Debenture holders or the Trustees in this connection.



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**Letter/s of allotment/refund order(s) and interest in case of delay in dispatch**

The beneficiary account of the investor(s) with National Securities Depository Ltd. (NSDL)/Central Depository Services (India) Limited (CDSL), Depository Participant will be given initial credit within two working days from the Deemed Date of Allotment. The initial credit in the account will be akin to the Letter of Allotment. On completion of the all statutory formalities, such credit in the account will be akin to a Debenture Certificate.

The issuer further agrees to pay interest as per the applicable provisions of the Companies Act, 1956, if the allotment letters/refund orders have not been dispatched to the applicants within 30 days from the date of the closure of the issue.

**Right to Accept or Reject Applications**

The Company reserves its full, unqualified and absolute right to accept or reject any application, in part or in full, without assigning any reason thereof. The applicants will be intimated about such rejection along with the refund warrant, together with interest on application money, if applicable, from the date of realization of the cheque(s)/demand drafts(s) till one day prior to the date of refund. The application forms that are not complete in all respects are liable to be rejected and such applicant would not be paid any interest on the application money. Application would be liable to be rejected on one or more technical grounds, including but not restricted to:

- a. Number of debentures applied for is less than the minimum application size;
- b. Applications exceeding the issue size;
- c. Bank account details not given;
- d. Details for issue of debentures in electronic/dematerialised form not given; PAN not mentioned in appropriate place.
- e. In case of applications under Power of Attorney by limited companies, corporate bodies, trusts, etc. relevant documents not submitted;

In the event, if any Debenture(s) applied for is/ are not allotted in full, the excess application money of such Debentures will be refunded, as may be permitted.

**Who Can Apply**

The following categories of investors may apply for the Debentures, subject to fulfilling their respective investment norms/ rules by submitting all the relevant documents along with the application form.

1. Scheduled Commercial Banks;
2. Financial Institutions;
3. Insurance Companies;
4. Primary/ State/ District/ Central Co-operative Banks (subject to permission from RBI);
5. Regional Rural Banks;
6. Mutual Funds;
7. Companies, Bodies Corporate authorised to invest in Debentures;
8. Provident Funds, Gratuity, Superannuation & Pension Funds, subject to their Investment guidelines
9. Trusts

**Application not to be made by**

1. Hindu Undivided Family (neither by the name of the Karta);
2. Partnership Firms or their nominees;
3. Overseas Corporate Bodies (OCBs);
4. Foreign Institutional Investors (FIIs);
5. Non Resident Indians(NRIs)

Although above investors are eligible to apply however only those investors, who are individually addressed through direct communication by the Company / Sole Arranger, are eligible to apply for the Debentures. No other person may apply. Hosting of Disclosure Document on the website of the BSE should not be construed as an offer to issue and the same has been hosted only as it is stipulated by SEBI. Investors should check about their eligibility before making any investment.



The applications must be accompanied by certified true copies of (1) Memorandum and Articles of Association/ Constitution/ Bye-laws (2) Resolution authorising investment and containing operating instructions (3) Specimen signatures of authorised signatories and (4) Photo copy of PAN Card. (5) Necessary forms for claiming exemption from deduction of tax at source on the interest income/ interest on application money, wherever applicable.

### **Applications under Power of Attorney**

In case of applications made under a Power of Attorney or by a Limited Company or a Body Corporate or Registered Society or Mutual Fund, and scientific and/or industrial research organisations or Trusts etc., the relevant Power of Attorney or the relevant resolution or authority to make the application, as the case may be, together with the certified true copy thereof along with the certified copy of the Memorandum and Articles of Association and/or Bye-Laws as the case may be must be attached to the Application Form or lodged for scrutiny separately with the photocopy of the Application Form, quoting the serial number of the Application Form at the Company's branch where the application has been submitted, or at the office of the Registrars to the Issue after submission of the Application Form to the bankers to the issue or any of the designated branches as mentioned on the reverse of the Application Form, failing which the applications are liable to be rejected. Such authority received by the Registrars to the Issue more than 10 days after closure of the subscription list may not be considered

### **Application by Mutual Funds**

In case of applications by Mutual Funds, a separate application must be made in respect of each scheme of an Indian Mutual Fund registered with SEBI and such applications will not be treated as multiple applications, provided that the application made by the Asset Management Company/ Trustees/ Custodian clearly indicate their intention as to the scheme for which the application has been made.

### **PAN/GIR Number**

All Applicants should mention their Permanent Account Number or the GIR Number allotted under Income Tax Act, 1961 and the Income Tax Circle / Ward / District. In case where neither the PAN nor the GIR Number has been allotted, the fact of such a non-allotment should be mentioned in the Application Form in the space provided.

### **Signatures**

Signatures should be made in English or in any of the Indian Languages. Thumb impressions must be attested by an authorized official of a Bank or by a Magistrate/Notary Public under his/her official seal.

### **Nomination Facility**

As per Section 109 A of the Companies Act, 1956, only individuals applying as sole applicant/Joint Applicant can nominate, in the prescribed manner, a person to whom his Debentures shall vest in the event of his death. Non-individuals including holders of Power of Attorney cannot nominate.

### **Disputes and Governing Law**

The Debentures shall be construed to be governed in accordance with Indian Law. The competent courts at Ahmedabad alone shall have jurisdiction in connection with any matter arising out of or under these precincts.

Over and above the aforesaid Terms and Conditions, the said Debentures shall be subject to the Terms and Conditions to be incorporated in the Debentures to be issued to the allottees and the Debenture Trust Deed/Trustee Agreement.

### **Trading of Debentures**

The trading of privately placed Debt securities would be permitted in the anonymous, order driven system of the Stock Exchange in a separate trading segment. The marketable lot would be one STRPP of face value of Rs. 10,00,000/-. All class of investors would be permitted to trade subject to the standard denomination/marketable lot. The trades executed on spot basis shall be required to be reported to the Stock Exchange.



### **List of Beneficial Owners**

The Company shall request the Depository to provide a list of Beneficial Owners as at the end of the Record Date. This shall be the list, which shall be considered for payment of interest or repayment of principal amount, as the case may be.

### **Succession**

In the event of demise of the sole/first holder of the Debenture(s) or the last survivor, in case of joint holders for the time being, the Company will recognize the executor or administrator of the deceased debenture holder, or the holder of succession certificate or other legal representative as having title to the debenture(s). The Company shall not be bound to recognize such executor or administrator, unless such executor or administrator obtains probate, letter of administration wherever it is necessary, or such holder is the holder of succession certificate or other legal representation, as the case may be, from a Court in India having jurisdiction over the matter. The Company may, in its absolute discretion, where it thinks fit, dispense with production of probate or letter of administration or succession certificate or other legal representation, in order to recognize such holder as being entitled to the debenture(s) standing in the name of the deceased debenture holder on production of sufficient documentary proof or indemnity.

Where a non-resident Indian becomes entitled to the debenture by way of succession, the following steps have to be complied:

- a. Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the debenture was acquired by the NRI as part of the legacy left by the deceased holder.
- b. Proof that the NRI is an Indian National or is of Indian origin.

**Such holding by the NRI will be on a non-repatriation basis.**

### **Mode of Subscription/ How to Apply**

This being a Private Placement Offer, Investors who are established/ resident in India and who have been addressed through this communication directly only are eligible to apply.

All Application Forms, duly completed, together with cheque/ demand draft for the amount payable on application must be delivered before the closing date of the issue to the Sole Arranger to the Issue.

Applications for the Debentures must be in the prescribed form (enclosed) and completed in BLOCK CAPITAL LETTERS in English and as per the instructions contained therein.

Applications complete in all respects (along with all necessary documents as detailed in this Disclosure Document) must be submitted before the last date indicated in the issue time table or such extended time as decided by the Bank, at any of the designated collection centers, accompanied by the subscription amount by way of cheque(s)/ demand draft(s) drawn on any bank including a co-operative bank which is situated at and is a member of the Bankers' clearing house located at a place where the application form is submitted.

Outstation cheque(s)/ Bank draft(s) drawn on Bank(s) not participating in the clearing process at the designated clearing centers will not be accepted. Money orders/ postal orders will also not be accepted. The Company assumes no responsibility for any applications/ cheques/ demand drafts lost in mail.

No separate receipt will be issued for the application money. However, the Company's designated collection branches or Arranger(s) receiving the duly completed Application Form will acknowledge receipt of the application by stamping and returning to the applicant the Acknowledgment Slip at the bottom of the each Application Form.

As a matter of precaution against possible fraudulent encashment of interest warrants/ cheques due to loss/ misplacement, the applicant should furnish the full particulars of his or her bank account (i.e. Account Number, name of the bank and branch) at the appropriate place in the Application Form. Interest warrants will then be made out in favour of the bank for credit to his/ her account so specified and dispatched to the investors, who may deposit the same in the said bank.





### **Effect of Holidays**

Should any of the dates defined above or elsewhere in this Memorandum excepting the date of allotment, fall on a Saturday, Sunday or a Public Holiday, the next working day following shall be considered as the effective date(s).

### **Notices**

The notices to the Debenture holder(s) required to be given by the Company or the Trustees shall be deemed to have been given if sent by registered post to the sole/first allottee or sole/first registered holder of the Debentures, as the case may be. All notices to be given by the Debenture holder(s) shall be sent by registered post or by hand delivery to Registrars or to such persons at such address as may be notified by the Company from time to time.

All transfer related documents, tax exemption certificates, intimation for loss of Letter of Allotment/Debenture(s), etc., requests for issue of duplicate debentures, interest warrants etc. and/or any other notices / correspondence by the Debenture holder(s) to the Company with regard to the issue should be sent by Registered Post or by hand delivery to the Registrar, or to such persons at such persons at such address as may be notified by the Company from time to time.

### **Applications under Power of Attorney**

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signatures of all the authorized signatories and the tax exemption certificate/document, if any, must be lodged along with the submission of the completed Application Form. Further modifications/additions in the power of attorney or authority should be notified to the Company at its registered office.

### **Disclosure Clause**

In the event of default in the repayment of the principal and/or interest thereon on the due dates, the investors and/or the Reserve Bank of India/SEBI will have an unqualified right to disclose or publish the name of the borrower and its directors as defaulter in such manner and through such medium as the Investors and/or the Reserve Bank of India in their absolute discretion may think fit.

Over and above the aforesaid Terms and Conditions, the said Debentures shall be subject to the Terms and Conditions to be incorporated in the Debenture Trust Deed/Trustee Agreement.

### **Registrars**

Link Intime India Private Limited is acting as Registrar and Transfer agents for the Company for debt instruments. Requests for registration of transfer, along with Debenture Certificates/Letters of Allotment and appropriate transfer documents should be sent to the Registrars. The transferee shall also furnish name, address and specimen signatures and wherever necessary, authority for purchase of Debentures. The Registrars after examining the adequacy and correctness of the documentation shall register the transfer in its books. However, as the NCDs are compulsory issued in demat mode, this may not be applicable.

### **Trustees**

The Company has appointed IDBI Trusteeship Services limited as Debenture Trustees registered with SEBI, for the holders of the Debentures (hereinafter referred to as 'Trustees'). The Company will enter into a Trustee Agreement/Trust Deed, inter-alia, specifying the powers, authorities and obligations of the Company and the Trustees in respect of the Debentures.

The Debenture holders shall, without any further act or deed, be deemed to have irrevocably given their consent to and authorized the Trustees or any of their Agents or authorized officials to do, inter alia, all such acts, deeds and things necessary in respect of or relating to the security to be created for securing the Debentures being offered in terms of this Memorandum of Private Placement. All rights and remedies under the Debenture Trust Deed and/or other security documents shall rest in and be exercised by the Trustees without having it referred to the Debenture holders. Any payment made by the Company to the Trustees on behalf of the Debenture holder(s) shall discharge the Company *pro tanto* to the Debenture holder(s).

The Trustees will protect the interest of the Debenture holder(s) in the event of default by the Company in regard to timely payment of interest and repayment of principal and they shall take necessary action at the cost of the



Company. The Trustees may appoint a nominee director on the Board of the Company in consultation with other institutional debenture holders in the event of default. The major events of default which happen and continue without being remedied for a period of 30 days after the dates on which the monies specified in (i) and (ii) below become due and will necessitate repayment before stated maturity are as follows:

- (i) Default in payment of monies due in respect of interest/principal owing upon the Debentures;
- (ii) Default in payment of any other monies including costs, charges and expenses incurred by the Trustees.

**Other events of default are:**

- a. Default is committed in the performance or observance of any covenant, condition or provision contained in these presents and/or the financial Covenants and Conditions (other than the obligation to pay principal and interest) and, except where the Trustees certify that such default is in their opinion incapable of remedy (in which case no notice shall be required), such default continues for 30 days after written notice has been given thereof by the Trustees to the Company requiring the same to be remedied.
- b. Any information given by the company in its applications to the Debenture holders, in the reports and other information furnished by the Company and the warranties given/deemed to have been given by it to the Debenture holders/trustees is misleading or incorrect in any material respect.
- c. The Company is unable to or has admitted in writing its inability to pay its debt as they mature.
- d. A Receiver or a Liquidator has been appointed or allowed to be appointed of all or any part of the undertaking of the Company and such appointment is not dismissed within 60 days of appointment.
- e. The Company ceases to carry on its business.

**Rights, Powers and Discretion of the Trustees**

General Rights, Powers and Discretions - In addition to the other powers conferred on the Trustees and provisions for their protection and not by way of limitation or derogation neither of anything contained in this Agreement nor of any statute limiting the liability of the Trustees, it is expressly stated as follows:

- 1. The Trustees shall not be bound to give notice to any person of the execution hereof or to see to the performance or observance of any of the obligations hereby imposed on the Company or in any way to interfere with the conduct of the Company's business unless and until the rights under the Debentures shall have become enforceable and the Trustees shall have determined to enforce the same;
- 2. Save as herein otherwise expressly provided the Trustees shall, as regards all trusts, powers, authorities and discretions, have absolute and uncontrolled discretion as to the exercise thereof and to the mode and time of exercise thereof and in the absence of fraud shall not be responsible for any loss, costs, charges, expenses or inconvenience that may result from the exercise or non- exercise thereof and in particular they shall not be bound to act at the request or direction of the Debenture holders under any provisions of these presents unless sufficient monies shall have been provided or provision to the satisfaction of the Trustees made for providing the same and the Trustees are indemnified to their satisfaction against all further costs, charges, expenses and liability which may be incurred in complying with such request or direction;
- 3. With a view to facilitate any dealing under any provision of these presents the Trustees shall have full power to consent (where such consent is required) to a specified transaction or class of transactions conditionally;
- 4. The Trustees shall not be responsible for the monies paid by applicants for the Debentures;
- 5. The Trustees shall not be responsible for acting upon any resolution purporting to have been passed at any meeting of the Debenture holders in respect whereof minutes have been made and signed even though it may subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution or that for any reason the resolution was not valid or binding upon the Debenture holders;



6. The Trustees shall have full power to determine all questions and doubts arising in relation to any of the provisions hereof and every such determination *bona fide* made (whether or not the same shall relate wholly or partially to the acts or proceedings of the Trustees) shall be conclusive and binding upon all persons interested hereunder;
7. The Trustees shall not be liable for anything whatsoever except a breach of trust knowingly and intentionally committed by the Trustees;
8. The Trustees shall not be liable for any default, omission or delay in performing or exercising any of the powers or trusts herein expressed or contained or any of them or in enforcing the covenants herein contained or any of them or in giving notice to any person or persons of the execution hereof or in taking any other steps which may be necessary, expedient or desirable for any loss or injury which may be occasioned by reason thereof unless the Trustees shall have been previously requested by notice in writing to perform, exercise or do any of such steps as aforesaid by the holders representing not less than three-fourths of the nominal amount of the Debentures for the time being outstanding or by a Special Resolution duly passed at a meeting of the Debenture holders and the Trustees shall not be bound to perform, exercise or do any such acts, powers or things or to take any such steps unless and until sufficient monies shall have been provided or provision to the satisfaction of the Trustees made for providing the same by or on behalf of the Debenture holders or some of them in order to provide for any costs, charges and expenses which the Trustees may incur or may have to pay in connection with the same and the Trustees are indemnified to their satisfaction against all further costs, charges, expenses and liabilities which may be incurred in complying with such request.

Provided Nevertheless that nothing contained in this clause shall exempt the Trustees from or indemnify them against any liability for breach of trust nor any liability which by virtue of any rule or law would otherwise attach to them in respect of any negligence, default or breach of trust which they may be guilty of in relation to their duties hereunder.

#### **Rights of Debenture holders**

- a. The Debentures shall not, except as provided in the Act, confer upon the holders thereof any rights or privileges available to the members of the Company including the right to receive Notices or Annual Reports of, or to attend and/or vote, at the General Meeting of the Company. However, if any resolution affecting the rights attached to the Debentures is to be placed before the shareholders, the said resolution will first be placed before the concerned registered Debenture holders for their consideration. In terms of Section 219(2) of the Act, holders of Debentures shall be entitled to a copy of the Balance Sheet on a specific request made to the Company.
- b. The rights, privileges and conditions attached to the Debentures may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the Debentures or with the sanction of Special Resolution passed at a meeting of the concerned Debenture holders, provided that nothing in such consent or resolution shall be operative against the Company, where such consent or resolution modifies or varies the terms and conditions governing the Debentures, if the same are not acceptable to the Company .
- c. The registered Debenture holder or in case of joint-holders, the one whose name stands first in the Register of Debenture holders shall be entitled to vote in respect of such Debentures, either in person or by proxy, at any meeting of the concerned Debenture holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights shall be in proportion to the outstanding nominal value of Debentures held by him/her on every resolution placed before such meeting of the Debenture holders. The quorum for such meetings shall be at least five Debenture holders present in person.
- d. The Debentures are subject to the provisions of the Companies Act, 1956, the Memorandum and Articles, the terms of this Prospectus and Application Form. Over and above such terms and conditions, the Debentures shall also be subject to other terms and conditions as may be incorporated in the Trustee Agreement/Letters of Allotment/Debenture Certificate, guidelines, notifications and regulations relating to



the issue of capital and listing of securities issued from time to time by the Government of India and/or other authorities and other documents that may be executed in respect of the Debentures.

- e. Save as otherwise provided in this Prospectus, the provisions contained in Annexure C and/or Annexure D to the Companies (Central Government's) General Rules and Forms, 1956 as prevailing and to the extent applicable, will apply to any meeting of the Debenture holders, in relation to matters not otherwise provided for in terms of the Issue of the Debentures.
- f. A register of Debenture holders will be maintained in accordance with Section 152 of the Act and all interest and principal sums becoming due and payable in respect of the Debentures will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the Register of Debenture holders.
- g. The Debenture holders will be entitled to their Debentures free from equities and/or cross claims by the Company against the original or any intermediate holders thereof.
- h. Debentures can be rolled over only with the positive consent of the Debenture holders.

#### **Debenture holder not a Shareholder**

The debenture holders will not be entitled to any of the rights and privileges available to the shareholders. If, however, any resolution affecting the rights attached to the Debentures is placed before the members of the Bank, such resolution will first be placed before the debenture holders for their consideration.

#### **Modification of Rights**

The rights, privileges, terms and conditions attached to the Debentures may be varied, modified or abrogated with the consent, in writing, of those holders of the Debentures who hold at least three fourth of the outstanding amount of the Debentures or with the sanction accorded pursuant to a resolution passed at a meeting of the

Debenture holders, provided that nothing in such consent or resolution shall be operative against the Company where such consent or resolution modifies or varies the terms and conditions of the Debentures, if the same are not acceptable to the Company.

#### **Debenture Redemption Reserve (DRR)**

As per the circular no 6/3/2002-CL.V dated 18.04.2002 issued by Government of India with respect to creation of Debenture Redemption Reserves, for manufacturing and infrastructure companies, the adequacy of DRR is defined at 25% of the value of debenture issued through private placement route. In terms of extant provisions of the Companies Act, 1956 the company is required to create a Debenture Redemption Reserves out of profits, if any, earned by the company. The company shall create a Debenture Redemption Reserves ('DRR') and credit to the DRR such amounts as applicable under the provisions of Section 117 C of the Companies Act 1956 (as amended from time to time) or any other relevant statute (s), as applicable.



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### **Undertaking by the Company**

The Issuer Company undertakes that:

- a) Letter of Allotment shall be made within 30 days of allotment. Execution of Trust deed and charge documents will be completed and debentures certificates will be dispatched within the time limits laid down in the Companies Act but not exceeding in any case, 6 months from the date of allotment.
- b) In case of delay in complying with the above, the Company will refund the amount of subscription with agreed rate of interest, or, will pay penal interest of 2% over the coupon rate till the above conditions are complied with, at the option of the investor
- c) Pending creation of security the principal Directors of the Company should agree to indemnify the investor for any loss that may be suffered by the investor on account of subscription to the Company's debt issue.
- d) It will be the issuer's responsibility to obtain consent of the prior charge-holders for creation of security within the stipulated period.
- e) The complaints received in respect of the Issue shall be attended to by the Company expeditiously and satisfactorily;
- f) It shall take all steps for completion of formalities for listing and commencement of trading at the concerned stock exchange where securities are to be listed within specified time frame;
- g) Necessary co-operation to the credit rating agencies shall be extended in providing true and adequate information till the debt obligations in respect of the instrument are outstanding.
- h) It shall use a common form of transfer for the instrument.



## XVI. DISCOUNT ON THE OFFER PRICE

The debentures are being issued at the face value and not at discount to offer price.

## XVII. DEBT EQUITY RATIO

(Rs. In Crores)

Particulars	Pre-Issue (as per latest audited Balance Sheet as on March 31, 2009)	Post Issue of Debentures (based on latest debt outstanding as on September 30, 2009)
<b>LOAN FUNDS</b>		
Secured Loan	232.19	261.19
Unsecured Loan	58.33	97.40
Fresh Issue of Debentures		75.00
<b>TOTAL LOAN FUNDS</b>	<b>290.52</b>	<b>433.59</b>
<b>SHAREHOLDERS' FUNDS</b>		
Share Capital	16.14	16.14
Reserves & Surplus (excluding Revaluation Reserve)	535.72	535.72*
<b>TOTAL SHAREHOLDERS' FUNDS</b>	<b>551.86</b>	<b>551.86</b>
<b>DEBT/ EQUITY RATIO</b>	<b>0.53</b>	<b>0.79</b>

\* Excluding profit for first six months

## XVIII. SERVICING BEHAVIOUR OF THE EXISTING DEBTS

The Company is discharging all its liabilities in time and would continue doing so in future as well. The Company has been paying regular interest and on redemption repaying principal to the Bank lenders.

## XIX. PERMISSION AND CONSENT FROM THE LENDERS / BANKS

In the event any permission /consent are required to be obtained, the same shall be done prior to the creation of the security.

The Company would procure consents from its existing charge holders for creation of security for the Debentures on pari-passu basis. The trustee shall in future provide consent to create pari-passu charge subject to the issuer Company complying with the requisite terms of the Debentures issued.

## XX. NAME OF DEBENTURE TRUSTEE

The Company has appointed a SEBI approved Trust Management Company as the agent and trustees for and on behalf of the Debenture holders. The address and contact details of the Trustees are as under:

### **IDBI Trusteeship Services Ltd.**

Asian Building, Ground Floor  
17, R Karmani Marg, Ballard Estate  
Mumbai - 400 001  
Tel: (022) 40807000  
Fax: 91-22-66311776/ 22625247  
E-mail: itsl@idbitrustee.co.in



## **XXI. RATING RATIONALE ADOPTED BY RATING AGENCIES**

Credit Analysis and Research Limited has assigned a 'CARE AA-' (pronounced as CARE Double AA minus) rating for an amount of Rs. 75.00 crores to the present Non Convertible Debentures issued by the Company vide its letter dated January 16, 2010. Instruments with this rating are considered to offer high safety for timely servicing of debt obligations. Such instruments carry very low credit risk. A copy of rating letter from CARE is enclosed elsewhere in this Disclosure Document.

Other than the credit rating mentioned hereinabove, the company has not sought any other credit rating from any other credit rating agency (ies) for the debentures offered for subscription under the terms of this Disclosure Document.

The above ratings are not a recommendation to buy, sell or hold securities and investors should take their own decision. The ratings may be subject to revision or withdrawal at any time by the assigning rating agencies and each rating should be evaluated independently of any other rating. The ratings obtained are subject to revision at any point of time in future. The rating agencies have the right to suspend, withdraw the rating at any time on the basis of new information etc.

## **XXII. LISTING OF DEBENTURES**

The Secured Redeemable Non-Convertible Debentures in form of STRPP are proposed to be listed on the Whole Sale Debt Market Segment of the Bombay Stock Exchange of India Ltd. ('BSE').



**XXIII. TERM SHEET**

<b>Issuer</b>	<b>Dishman Pharmaceuticals and Chemicals Limited</b>
<b>Issue Size</b>	Upto Rs. 75.00 crores
<b>Minimum Subscription</b>	1 Debenture of Rs 1,00,00,000 each and multiple of 1 thereafter.
<b>Instrument</b>	Rated, Secured, Taxable, Redeemable Non-Convertible Debentures ('NCD'/ 'Debentures') in form of Separately Transferable Redeemable Principal Parts (STRPPs)
<b>Issuance Form</b>	In Dematerialized Form
<b>Credit Rating</b>	"CARE AA -" by CARE
<b>Security</b>	First Pari - passu charge on the immovable and Moveable Fixed Assets of the Company situated at Mouje, Village Lodariyal, Taluka Sanand, District Ahmedabad; which are already charged on first pari passu basis to the existing 6 term lenders, with a minimum asset cover of 1.25 times to be maintained during the tenure of the NCDs.
<b>Face Value / Issue Price/ Redemption Price</b>	Debentures shall have face value of Rs. 1,00,00,000/- each comprising of 10 Detachable and Separately Transferable Redeemable Principal Parts ("STRPPs") of face value of Rs. 10,00,000/- each (Debentures/ STRPPs shall be issued as well as redeemed at par)
<b>Minimum Application</b>	1 Debenture and in multiples of 1 Debenture thereafter
<b>Tenure</b>	As per Termsheet
<b>Redemption/ Maturity</b>	As per Termsheet
<b>Coupon Rate</b>	As per Termsheet
<b>Interest Payment</b>	As per Termsheet
<b>Listing</b>	Proposed on the Wholesale Debt Market (WDM) Segment of the Bombay Stock Exchange (BSE)
<b>Trustee</b>	IDBI Trusteeship Services Limited
<b>Depository</b>	National Securities Depository Ltd (NSDL) / Central Depository Services (India) Limited (CDSL)
<b>Interest on Application Money</b>	At the respective Coupon rate (subject to deduction of tax at source, as applicable.) from the date of realization of cheque (s)/ demand draft(s)/ RTGS upto one day prior to the Deemed Date of Allotment.
<b>Issue Opens on</b>	As per Termsheet
<b>Issue Closes on</b>	As per Termsheet
<b>Deemed Date of Allotment</b>	As per Termsheet





## XXIV. ANNEXURES

## A) CREDIT RATING LETTER FROM CARE



Shri Janmejy R. Vyas  
Chairman & Managing Director  
Dishman Pharmaceuticals and Chemicals Ltd. (DPCL)  
Bhadra-Raj Chambers, Swastik Cross Road,  
Navarangpura,  
Ahmedabad – 380 009

January 16, 2010

Confidential

Credit rating of proposed NCD issue of Rs.150 Cr

Dear Sir,

Please refer to your request for rating of your proposed NCD issue of Rs.150 crore and your letter, dated January 15, 2010, conveying your acceptance of the rating.

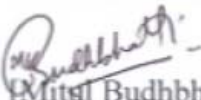
2. Our Rating Committee has assigned a 'CARE AA-' [Double A minus] rating to the proposed NCD issue of Rs.150 crore of DPCL, to be issued on a private placement basis. The proposed NCD shall be repaid over a tenure not exceeding seven years from the date of placement. The issue details are given in **Annexure-I**. Instruments with this rating are considered to offer high safety for timely servicing of debt obligations. Such instruments carry very low credit risk.
3. Our rating symbols and explanatory notes thereon for long-term & medium term instruments are placed as **Annexure-II**. The rationale for this rating will be communicated to you separately.
4. Please arrange to get the rating revalidated, in case the proposed long-term NCD issue is not made within six months from the date of this letter or if there is any change in the size or terms of the proposed issue.
5. Please inform us the details of issue (date of issue, name of investor/s, amount/s issued, interest rate/s, date/s of payment of interest, date/s and amount/s of repayment/s etc.) as soon as it has been placed.
6. Kindly arrange to submit to us a copy of the documents pertaining to the proposed long-term NCD issue including the offer document, if any, in due course.
7. A formal surveillance/review of rating is normally done on the expiry of one year from the date of initial rating/last review of the rating. However, CARE reserves the right to undertake a surveillance/review of the rating more than once a year (including any time before the expiry of one year from the date of initial rating) if in the opinion of CARE, circumstances warrant such surveillance/review.

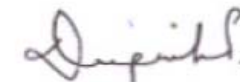


8. CARE reserves the right to suspend/withdraw/revise the rating assigned on the basis of new information or in the event of failure on the part of the company to furnish such information, material or clarifications as may be required by CARE. CARE shall also be entitled to publicise/disseminate such suspension/withdrawal/revision in the assigned rating in any manner considered appropriate by it, without reference to you.
9. Please note that CARE's ratings are not a recommendation to buy, sell or hold any security.
10. If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,

  
[Mitul Budhbhatti]  
Sr. Manager

  
[Deepak Prajapati]  
Asst. General Manager

Encl: As above

**Disclaimer**

CARE's ratings are opinions on credit quality and are not recommendations to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most issuers of securities rated by CARE have paid a credit rating fee, based on the amount and type of securities issued.



Annexure I

Issue Details  
(Tentative)

Type of Instrument	Secured Non Convertible Debentures (Series-I)	Secured Non Convertible Debentures (Series-II)
Size of Issue	Rs.75 crore	Rs.75 crore
Rate of Interest	To be determined	To be determined
Tenure	Not exceeding 7 years	Not exceeding 5 years
Redemption	Four installments of 20%-20%-30%-30% at the end of 4th, 5th, 6 <sup>th</sup> & 7th year from the date of issue	Two equal installments at the end of 4 <sup>th</sup> & 5 <sup>th</sup> year from the date of issue
Security	Pari passu charge on Fixed Assets	Pari passu charge on Fixed Assets
Mode of issue	Private Placement	Private Placement
Purpose of issue	Augmenting medium to long term resources of the company, including regular capex and retirement of high cost debt	Augmenting medium to long term resources of the company, including regular capex and retirement of high cost debt
Trustee	To be appointed	To be appointed




## B) CONSENT LETTER FROM IDBI TRUSTEESHIP SERVICES LIMITED

**IDBI Trusteeship Services Ltd.****AN ISO 9001 : 2008 COMPANY**

No. 6602/ITSL/OPR/CL - 09-10 - DEB - 457

January 13<sup>th</sup>, 2010

**Deepak Pandya**  
V.P.(Legal) & Company Secretary  
**Dishman Pharmaceuticals & Chemicals Limited**  
Bhadr-Raj Chambers, Swastik Cross Road,  
Navrangpura, Ahmedabad - 380 009

**Regd. Office :**  
Asian Building, Ground Floor,  
17, R. Kamani Marg, Ballard Estate,  
Mumbai - 400 001.

Dear Sir,

**Consent to act as Debenture Trustees for Secured NCDs aggregating Rs. 75 crores**

This is with reference to the discussion we had regarding the appointment of IDBI Trusteeship Services Ltd. as Debenture Trustee for secured non convertible debentures aggregating to Rs. 75 crores. In this connection, we confirm our acceptance of the assignment.

The Company shall enter into relevant documents for the said Debenture issue.

We are agreeable for inclusion of our name as trustees in the Disclosure document/listing application/any other document to be filed with the Stock Exchange(s).

Looking forward to a long and fruitful association with your esteemed organization and assuring you of our services at all times.

Yours faithfully,  
For IDBI Trusteeship Services Ltd.



**Ajit Guruji**  
Vice President



## XXV. DECLARATION

It is hereby declared that this Disclosure Document contains full disclosures in accordance with Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide Circular No. LAD-NRO/GN/2008/13/127878 dated June 06, 2008.

The Issuer also confirms that this Disclosure Document does not omit disclosure of any material fact, which may make the statements made therein, in light of the circumstances under which they are made, misleading. The Disclosure Document also does not contain any false or misleading statement.

The Issuer accepts no responsibility for the statement made otherwise than in the Disclosure Document or in any other material issued by or at the instance of the Issuer and that any person placing reliance on any other source of information would be doing so at his own risk.

Signed by Mr. Deepak Pandya, Company Secretary & V.P. (Legal), pursuant to the authority granted by the Board of Directors of the Company in their meeting held on January 12, 2010.

**For Dishman Pharmaceuticals and Chemicals Limited,**



**Mr. Deepak Pandya  
(Authorized Signatory)**



Dated: January 16 2010.