

24<sup>th</sup> February, 2016

The Deputy General Manager BSE Limited Corporate Relationship Department 1 <sup>st</sup> Floor, New Trading Ring Rotunda Building, P J Towers, Dalal Street, Fort Mumbai 400 001	The Manager Listing Department National Stock Exchange of India Limited "Exchange Plaza", C-1, Block G Bandra-Kurla Complex, Bandra (E), Mumbai - 400051
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Dear Sir

- Sub: 1) Scheme of Arrangement and Amalgamation amongst Dishman Pharmaceuticals and Chemicals Limited, Dishman Care Limited and Carbogen Amcis (India) Limited.  
2) Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9th September 2015

1. We would like to inform that the Board of Directors ("**Board**") of Dishman Pharmaceuticals and Chemicals Limited ("**Company**" or "**DPCL**") on 24<sup>th</sup> February, 2016, has considered and approved the following proposal amongst Dishman Pharmaceuticals and Chemicals Limited, Dishman Care Limited ("**DCL**") and Carbogen Amcis (India) Limited ("**CAIL**") with effect from January 1, 2015:

(a) Slump Sale of the Effluent Treatment Plants Undertaking ("**ETP Undertaking**") from the Company to CAIL, a wholly owned subsidiary of the Company, as a going concern, together with all its properties, assets, liabilities, rights, benefits and interest therein, without assigning value to individual assets and liabilities; ("**Slump Sale**");

(b) Amalgamation of DCL, a wholly owned subsidiary of the Company with the Company and;

(c) Followed by amalgamation of the Company with CAIL,

(d) Change in name of "Carbogen Amcis (India) Limited" to "Dishman Carbogen Amcis Limited"

in terms of a draft Scheme of Arrangement and Amalgamation tabled before the Board under Sections 391-394, read with Section 100 of the Companies Act, 1956 or under Section 230-234 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 1956 and/or Companies Act, 2013 ("**Scheme**"). The Board of Directors of DCL and CAIL also have in their Board meeting today approved the said Scheme. The Scheme shall be subject to the approval of the shareholders and the Hon'ble High Court of Gujarat and other authorities as may be required under applicable law.

2. The Company, together with its overseas subsidiaries, provides contract research and manufacturing services to the pharmaceutical industry worldwide. It offers contract services, including process research and active pharmaceutical ingredients (APIs) supply to support early phase clinical trials; process development and optimization; cGMP manufacture; and commercial supply services. The Company also manufactures and markets bulk drugs, intermediates, quaternary ammonium compounds (Quats), specialty chemicals, and traded goods.

Dishman Pharmaceuticals and Chemicals Limited

Registered Office: Bhadr-Raj Chambers, Swastik Cross Roads, Navrangpura, Ahmedabad - 380 009 India.

Tel: +91 (0) 79 26443053 / 26445807 Fax: +91 (0) 79 26420198

Email: dishman@dishmangroup.com Web: www.dishmangroup.com

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CIN NO L24230GJ1983PLC006329

CAIL is engaged in research and development, including regulatory filings of certain pharmaceutical molecules for some of the overseas subsidiaries of the Company.

DCL is engaged in market research, business development and marketing of disinfectant products to be manufactured by the Company.

3. The details of assets and turnover of the companies involved is as under:

Particulars	(INR in Lacs)		
	DPCL	DCL	CAIL
Total Assets as on 31 <sup>st</sup> December, 2015	1,76,657.19	1,375.62	1,749.32
Total Turnover for 9 months ended 31 <sup>st</sup> December, 2015	36,715.48	45.00	475.00

4. The following consideration is proposed to be discharged under the Scheme :

(a) **Slump Sale** – The total consideration for the transfer of the ETP Undertaking shall be Rs. 15 Crores.

(b) **Amalgamation of DCL with the Company** - No shares shall be required to be issued in respect of the equity shares held by the Company in DCL. Upon amalgamation, equity shares of DCL held by DPCL shall be deemed to be cancelled and shall stand extinguished without consideration

(c) **Amalgamation of the Company with CAIL** - Shareholders of DPCL shall be issued 1 (One) fully paid up equity share of the face value of INR 2/- each of CAIL, for every 1 (One) fully paid up equity share of the face value of INR 2/- each held in DPCL. Pursuant to amalgamation, the shareholding of CAIL shall be the mirror image of the shareholding of the Company. Upon amalgamation, equity shares of CAIL held by DPCL shall be deemed to be cancelled.

The Company shall stand dissolved without winding up pursuant to the Scheme.

5. The consideration and Share Exchange Ratio mentioned above has been arrived at based on the valuation report prepared by Sharp & Tannan, an Independent Chartered Accountant, and confirmed by a fairness opinion prepared by Centrum Capital Limited, an Independent Merchant Banker, submitted to the Audit Committee and presented to the Board at its meeting.
6. The Scheme will, amongst others provide a high level of synergistic integration, better operational management and provide value addition. It would re-emphasise the strategy of "One Company, Two Brands" with both "Dishman" and "Carbogen Amcis" brands being reflected in the trade name of one company. Synergies arising out of consolidation of business will lead to enhancement of net worth of the combined business and reflection of true net-worth in the financial statements improved alignment of debt and enhancement in earnings and cash flow.
7. The draft Scheme has been recommended by the Audit Committee of the Company, at its meeting held on 24<sup>th</sup> February, 2016, taking into consideration, inter alia, the valuation report.

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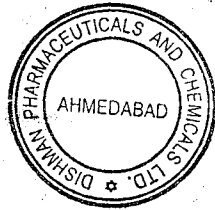


8. The Scheme is between the Company and its wholly owned subsidiaries CAIL and DCL, being related parties of the Company. The consideration payable pursuant to the Scheme is as per the recommendation of an independent valuer's valuation report. A fairness opinion from a merchant banker is also obtained.
9. The equity shares of CAIL are proposed to be listed on BSE Ltd. and National Stock Exchange of India Limited (collective referred to as "**Stock Exchanges**"). As part of the Scheme, the name of Carbogen Amcis (India) Limited will be changed to Dishman Carbogen Amcis Limited.
10. The Scheme will be filed with the Stock Exchanges where the shares of the Company are listed for receiving their comments to the Scheme and shall be submitted for sanction to the Hon'ble High Court of Judicature of Gujarat.
11. In terms of the code of insider trading of Company framed under the SEBI (Prohibition of Insider Trading) Regulations 2015, the trading window of the Company was closed from Tuesday, 16<sup>th</sup> February, 2016 and will open on Monday, 29<sup>th</sup> February, 2016.

Thanking you,

Yours faithfully,  
**For Dishman Pharmaceuticals and Chemicals Limited**

**Tushar D. Shah**  
**Company Secretary**



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