



## DIL LIMITED

CIN:L99999MH1951PLC008485

**Registered Office:** A-1601, Thane One, 'DIL' Complex, Ghodbunder Road, Majiwade, Thane (W) – 400 610, Maharashtra, India. Tel : +91-022-67980888/800 • E-mail: contact@dil.net • Website: www.dil.net

### MEETING OF THE SECURED CREDITORS OF DIL LIMITED

(convened pursuant to an Order dated 6th day of June, 2019 passed by the National Company Law Tribunal, Bench at Mumbai)

#### MEETING :

<b>Day</b>	Monday
<b>Date</b>	8th day of July, 2019
<b>Time</b>	03.00 p.m. (15.00 hours) (IST)
<b>Venue</b>	A-1601, Thane One, DIL complex, Majiwade, Ghodbunder Road, Thane (West) – 400 610, Maharashtra India

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**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL  
BENCH AT MUMBAI  
COMPANY SCHEME APPLICATION NO. 1394 OF 2018**

**IN THE MATTER OF THE COMPANIES ACT, 2013;  
AND**

**IN THE MATTER OF APPLICATION UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013 AND OTHER  
APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013;**

**AND**

In the matter of **DIL Limited**;

**AND**

In the matter of Scheme of Amalgamation of Fermenta Biotech Limited (the Transferor Company) with DIL Limited (the Transferee Company) and their respective shareholders.

DIL Limited

CIN: L99999MH1951PLC008485

Company incorporated under the Companies Act, 1913 having its registered office at

A-1601, Thane One, 'DIL' Complex, Ghodbunder Road, Majiwade,

Thane (West) – 400 610, Maharashtra, India

**.....the Applicant Company/Transferee Company.**

**NOTICE CONVENING THE MEETING OF THE SECURED CREDITORS OF THE TRANSFEREE COMPANY**

To,

All the Secured Creditors of DIL Limited (the "Transferee Company"):

**NOTICE** is hereby given that by an Order dated June 6, 2019 (the "**Order**"), the Hon'ble National Company Law Tribunal, Bench at Mumbai ("**NCLT**") has directed a meeting to be held of the secured creditors of the Transferee Company for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme of Amalgamation of Fermenta Biotech Limited (the 'Transferor Company') with DIL Limited (the 'Transferee Company') and their respective shareholders ("**Scheme**").

In pursuance of the said Order and as directed therein further notice is hereby given that a meeting of the secured creditors of the Transferee Company will be held at A-1601, Thane One, DIL complex, Majiwade, Ghodbunder Road, Thane (West) – 400 610, Maharashtra India on Monday, 8<sup>th</sup> day of July , 2019 at 03.00 p.m. (15.00 hours (IST) at which time and place you are requested to attend. At the meeting, the following resolution will be considered and if thought fit, be passed, with or without modification(s):

**"RESOLVED THAT** pursuant to the provisions of Sections 230-232 and other applicable provisions of the Companies Act, 2013, the rules, circulars and notifications made thereunder (including any statutory modification or re-enactment thereof) as may be applicable, and subject to the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of Hon'ble National Company Law Tribunal, Bench at Mumbai ("**NCLT**") and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "**Board**", which term shall be deemed to mean and include one or more Committee(s) constituted or to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), the arrangement embodied in the Scheme of Amalgamation of Fermenta Biotech Limited (the Transferor Company) with DIL Limited (the Transferee Company) and their respective shareholders ("**Scheme**") placed before this meeting and initialled by the Chairman of the meeting for the purpose of identification, be and is hereby approved.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the NCLT while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise including passing of such accounting entries and/or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper".

**TAKE FURTHER NOTICE** that you may attend and vote at the said meeting in person or by proxy provided that a proxy in the prescribed form, duly signed by you, is deposited at the registered office of the Transferee Company at A-1601, Thane One, 'DIL' Complex, Ghodbunder Road, Majiwade, Thane (West) – 400 610, Maharashtra, India, not later than 48 (forty eight) hours before the time fixed for the aforesaid meeting. The form of proxy, if required, can be obtained free of charge from the registered office of the Transferee Company on any day (except on Saturday, Sunday and Public Holidays) during business hours (i.e. between 9 am to 5.30 pm IST).

Copies of the Scheme and of the Explanatory Statement, under Sections 230(3), 232(1), 232(2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with the enclosures as indicated in the Index, can be obtained free of charge at the registered office of the Transferee Company at A-1601, Thane One, 'DIL' Complex, Ghodbunder Road, Majiwade, Thane (West) – 400 610, Maharashtra, India.

NCLT has appointed Mr. Siddarth Thakur, Advocate to be the Chairman of the said meeting including for any adjournment or adjournments thereof.

The Scheme, if approved in the aforesaid meeting, will be subject to the subsequent approval of NCLT.

A copy of the Explanatory Statement, under Sections 230(3), 232(1), 232 (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the Scheme and the other enclosures as indicated in the Index are enclosed.

Sd/-

**Siddarth Thakur**

Chairman appointed for the meeting

Dated this 7th day of June, 2019.

*Registered office:* A-1601, Thane One, 'DIL' Complex,  
Ghodbunder Road, Majiwade,  
Thane (West) – 400 610, Maharashtra, India.



**Notes:**

1. NCLT by its said Order has directed that a meeting of the secured creditors of the Applicant Company shall be convened and held at A-1601, Thane One, 'DIL' Complex, Ghodbunder Road, Majiwade, Thane (West) – 400 610, Maharashtra, India, on Monday, 8<sup>th</sup> day of July, 2019 at 03.00 p.m. (15.00 hours) (IST), for the purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme. Secured creditors would be entitled to vote in the said meeting either in person or through proxy.
2. ONLY SECURED CREDITORS OF THE APPLICANT COMPANY MAY ATTEND AND VOTE EITHER IN PERSON OR BY PROXY (A PROXY NEED NOT BE A SECURED CREDITOR OF THE APPLICANT COMPANY) or in the case of a body corporate, by a representative authorized under Section 113 of the Companies Act, 2013 at the meeting of the secured creditors of the Applicant Company. The authorized representative of a body corporate which is a secured creditor of the Applicant Company may attend and vote at the meeting of the secured creditors of the Applicant Company provided a certified true copy of the resolution of the board of directors or other governing body of the body corporate authorizing such representative to attend and vote at the meeting of the secured creditors of the Applicant Company is deposited at the registered office of the Applicant Company not later than 48 (forty eight) hours before the scheduled time of the commencement of the meeting of the secured creditors of the Applicant Company. The Form of Proxy can be obtained free of charge at the registered office of the Applicant Company.
3. All alterations made in the Form of Proxy should be initialed by secured creditor.
4. The quorum of the meeting of the secured creditors of the Applicant Company shall be 3 (three) secured creditor of the Applicant Company.
5. Secured creditor or its proxy, attending the meeting, is requested to bring the Attendance Slip duly completed and signed.
6. The documents referred to in the accompanying Explanatory Statement shall be open for inspection by the secured creditors at the registered office of the Applicant Company between 10.00 AM and 2.00 PM on all days (except Saturdays, Sundays and public holidays) upto one day prior to the date of the meeting.
7. The Applicant Company has provided the facility of ballot/polling paper at the venue of the meeting.
8. Mrs. Suman Sureka, Suman Sureka & Associates, Company Secretaries (C. P. No. 4892) has been appointed as the scrutinizer to conduct the voting process through ballot/poll paper at the venue of the meeting in a fair and transparent manner.
9. The scrutinizer will submit his report to the Chairman of the meeting after completion of the scrutiny of the votes cast by the secured creditors of the Applicant Company through poll paper at the venue of the meeting.
10. The scrutinizer's decision on the validity of the vote shall be final. The results of votes cast through poll paper at the venue of the meeting will be announced within 48 hours from the conclusion of the meeting at the registered office of the Applicant Company. The results, together with the scrutinizer's Reports, will be displayed at the registered office of the Applicant Company and on the website of the Applicant Company [www.dil.net](http://www.dil.net) besides being communicated to BSE Limited ('BSE').
11. NCLT by its said Order has directed that secured creditors appearing in the records of the applicant Company as on May 31, 2019 will be entitled to exercise their right to vote on the above meeting ("cut-off date").
12. The Applicant Company has provided the facility of ballot/polling paper at the venue of the meeting. In accordance with the provisions of Sections 230-232 of the Companies Act, 2013, the Scheme shall be acted upon only if a majority of persons representing three fourth in value of the secured creditors of the Applicant Company, voting in person or by proxy, agree to the Scheme.
13. The Notice, together with the documents accompanying the same, is being sent to the secured creditors either by registered post or speed post or by courier service. The Notice will be displayed on the website of the Applicant Company [www.dil.net](http://www.dil.net).
14. The notice convening the said meeting, indicating the day, date, place and time, as aforesaid will be published through advertisement in the following newspapers, namely, (i) "Business Standard" (PAN - India Edition) in English language; and (ii) translation thereof in "Loksatta" (Maharashtra edition) in Marathi language.

**EXPLANATORY STATEMENT UNDER SECTIONS 230(3), 232(1), 232 (2) AND 102 OF THE COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016.**

1. Pursuant to the Order dated June 6, 2019, passed by the Hon'ble National Company Law Tribunal, Bench at Mumbai (the "NCLT"), in Company Scheme Application No.1394 of 2018 ("Order"), a meeting of the secured creditors of DIL Limited is being convened at A-1601, Thane One, 'DIL' Complex, Ghodbunder Road, Majiwade, Thane (West) – 400 610, Maharashtra, India on Monday, the 8<sup>th</sup> day of July, 2019 at 03.00 p.m. (15.00 hours) (IST), for the purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme of Amalgamation of Fermenta Biotech Limited (hereinafter referred to as the "Transferor Company" or "FBL" as the context may admit) with DIL Limited (hereinafter referred to as the "Transferee Company" or "DIL" as the context may admit) and their respective shareholders under Sections 230-232 and other applicable provisions of the Companies Act, 2013 (the "Scheme"). FBL and DIL are together referred to as the "Companies". A copy of the Scheme, which has been, inter alia, approved by the Board of Directors of the Transferee Company at its meeting held on 21<sup>st</sup> June, 2018, is enclosed as **Annexure 1**. Capitalized terms used herein but not defined shall have the meaning assigned to them in the Scheme, unless otherwise stated.
2. In terms of the said Order, the quorum for the aforesaid meeting of the secured creditors of the Transferee Company shall be 3 (Three). Further in terms of the said Order, NCLT has appointed Mr. Siddarth Thakur, Advocate to be the Chairman of the said meeting including for any adjournment or adjournments thereof.
3. This statement is being furnished as required under Sections 230(3), 232(1), 232 (2) and 102 of the Companies Act, 2013 (the "Act") read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (the "Rules").
4. As stated earlier, NCLT by its said Order has, *inter alia*, directed that a meeting of the secured creditors of the Transferee Company shall be convened and held at A-1601, Thane One, DIL complex, Ghodbunder Road, Majiwade, Thane (West) 400610, Maharashtra, India on Monday, the 8<sup>th</sup> day of July, 2019 at 03.00 p.m. (15.00 hours) (IST) for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme. Secured Creditors would be entitled to vote in the said meeting either in person or through proxy.
5. In accordance with the provisions of Sections 230-232 of the Companies Act, 2013, the Scheme shall be acted upon only if a majority of persons representing three fourth in value of the secured creditors of the Transferee

Company, voting through ballot or polling paper at the venue of the meeting, agree to the Scheme.

**Particulars of DIL Limited (DIL)**

6. DIL (PAN: AAACD0525E) was incorporated under the Companies Act, 1913 on May 1, 1951, under its name "International Franchises Private Limited". Thereafter, on April 19, 1963, its name was changed to "Crookes Interfran Limited" which was further changed to "Duphar-Interfran Limited" on May 1, 1971. Finally, name of the Transferee Company had been changed to "**DIL Limited**" vide fresh Certificate of Incorporation dated October 13, 2003. There has been no further change in the name of DIL in the last five (5) years. The Corporate Identification Number of DIL is *L99999MH1951PLC008485*. The equity shares of DIL are listed on the BSE Limited (BSE).
7. DIL's registered office was changed from 'DIL' Complex, Ghodbunder Road, Majiwade, Thane (West) – 400 610 to its present address i.e. A-1601, Thane One, 'DIL' Complex, Ghodbunder Road, Majiwade, Thane (West) – 400 610 w.e.f. January 02, 2017. The web site address of DIL is [www.dil.net](http://www.dil.net).
8. The objects for which DIL has been established are set out in its Memorandum of Association which *inter alia* are as follows:
  - *To take over as a running concern the firm 'International Franchises' conducted and owned by Mr. E. V. S. Desikachari on such terms and payment in consideration as the Board of Directors may determine.*
  - *To carry on business as manufactures of, and dealers in, pharmaceutical, veterinary and phytopharmaceutical products and preparations, chemicals, biochemical and biological products, drugs, medicines and remedies, atomic and radioactive isotopes, chemicals, fine chemicals, spirits, fertilisers, sprays, disinfectants, insecticides, pesticides, germicides, vermifuges, acids, alkalis, salts, dyes, dye-stuff, dye-wares, colours, paints, pigments, lacquers, compounds, varnishes, polishes, glues, gums, cosmetic, and toilet preparations, foodstuffs and beverages, and protographical, industrial, medicinal, surgical, hospital, laboratory and scientific preparations, compounds, equipments and apparatus, and other preparations, compounds, substances, and articles intended for, or capable of being used in or connected with, any such business as aforesaid.*

There has been no change in the Objects clause of DIL in the last 5 years except that the following object was added in the Objects clause of the Memorandum of Association vide members' special resolution by way of Postal Ballot dated 25<sup>th</sup> July 2018:

- To engage in and to conduct the business of conceiving, designing, providing and manufacturing for sale and distribution of sustainable environmental solutions including but not limited to, solid waste management, waste water management, water management, lake and pond bioremediation and fly ash management, air pollution management, installation, operation and maintenance of Sewage Treatment Plants (STPs) either on its own or through collaboration and other related and incidental activities.

9. DIL is presently engaged in the business *inter alia* of manufacturing and marketing of chemicals, API, enzymes, pharmaceutical formulations and environmental solution products, through its subsidiary viz. Fermenta Biotech Limited and is also engaged in the business of renting of properties.

Details of subsidiaries, joint ventures and associates of DIL are as follows:

10. The Authorised, Issued, Subscribed and Paid up Share Capital of DIL as on March 31, 2018 was as follows:

Name	Status	% of shares held	Nature of Business
Aegean Properties Limited	Subsidiary Company	100	Renting of Properties
CC Square Films Limited	Subsidiary Company	100	Motion film production
Fermenta Biotech Limited	Subsidiary Company	91.20	Manufacturing and marketing of chemicals, API, enzymes, pharmaceutical formulations and environmental solution products
Fermenta Biotech (UK) Limited	Subsidiary Company [100% subsidiary of FBL]	-	Manufacturing and marketing of chemicals, API, enzymes, pharmaceutical formulations and environmental solution products

Name	Status	% of shares held	Nature of Business
G. I. Biotech Private Limited	Subsidiary Company [62.50% subsidiary of FBL]	-	Manufacturing and marketing of chemicals, API, enzymes, pharmaceutical formulations and environmental solution products
Health and Wellness India Private Ltd.	Associate Company	47.15	Providing services of sports and health awareness education activities

the capital structure of the Transferee Company pursuant to the meeting of the Board of Directors of the

Particulars	Amount (INR)
<b>Authorised Share Capital</b>	
49,20,000 Equity Shares of INR 10/- each	4,92,00,000
80,000 unclassified shares of INR 10/- each	8,00,000
<b>Total</b>	<b>5,00,00,000</b>
<b>Issued, Subscribed and Paid Up Share Capital</b>	
22,93,198 Equity Shares of INR. 10/- each	2,29,31,980
<b>Total</b>	<b>2,29,31,980</b>

Transferee Company, held on 18<sup>th</sup> June, 2018, recommending and approving (a) Split/sub-division of shares from face value of INR 10/- each to face value of INR 5/- each; and (b) Post split, issue of bonus shares in a proportion of 1:1. The Shareholders of the Transferee Company vide their approval by way of postal ballot including e-voting dated 25<sup>th</sup> July, 2018, have approved the split and bonus issue along with the consequential revised capital structure of the Transferee Company.

The Authorised, Issued, Subscribed and Paid-up Share Capital of the Transferee Company as on date of this notice is as under:

**Particulars of Fermenta Biotech Limited (FBL)**

11. FBL (PAN: AAACF2503N) was incorporated under the

Particulars	Amount (INR)
<b>Authorised Share Capital</b>	
98,40,000 Equity Shares of INR 5/- each	4,92,00,000
1,60,000 unclassified shares of INR 5/- each	8,00,000
<b>Total</b>	5,00,00,000
<b>Issued, Subscribed and Paid Up Share Capital</b>	
91,72,792 Equity Shares of INR. 5/- each	4,58,63,960
<b>Total</b>	4,58,63,960

Companies Act, 1956 on 11<sup>th</sup> July, 1986, under its name “*Fermentapharma Biodil Limited*” in the territory of Registrar of Companies at Punjab, Himachal Pradesh and Chandigarh. Thereafter, on 24<sup>th</sup> October, 1996, its name was changed to “*Fermentapharma Biotech Limited*”. Finally, pursuant to Section 13 of the Companies Act, 1956 and Rule thereunder, name of the Transferor Company had been changed to “***Fermenta Biotech Limited***” vide fresh Certificate of Incorporation dated on 10<sup>th</sup> May 2000. There has been no further change in the name of FBL in the last five (5) years. The Corporate Identification Number of FBL is U99999MH1986PLC134021. The equity shares of FBL are not listed on any stock exchanges.

12. The Registered Office of FBL is situated at A-1501, Thane One, ‘DIL’ Complex, Ghodbunder Road, Majiwade, Thane (West) – 400 610, Maharashtra, India. FBL’s registered office was changed from DIL Complex, Ghodbunder Road, Majiwade, Thane (W) – 400 610 to its present address i.e. A-1501, Thane One, ‘DIL’ Complex, Ghodbunder Road, Majiwade, Thane (W) – 400 610 w.e.f. January 02, 2017. The web site address of FBL is [www.fermentabiotech.com](http://www.fermentabiotech.com).
13. The objects for which FBL has been established are set out in its Memorandum of Association. The main object of FBL are, *inter alia*, as follows:

- *To manufacture, produce, formulate, prepare, buy, market, distribute, exchange, supply, sell or otherwise dispose of, refine, blend, process, pack or repack, import, export and trade and generally to deal in pharmaceuticals, medicinal, biological, chemical, industrial and other preparations including products derived through fermentation technology and genetic engineering, produce amino acids, steroids, hormones, vitamins, chemicals, biochemicals, drugs, chemical intermediates, medicines and remedies, atomic and radio-active isotopes, enzymes, anti-bacterials, antibiotics including their derivatives, by-products and intermediates, produced either from natural sources of biochemical or chemical synthesis or semi-synthesis, radiation and photo-chemical techniques, and formulations of all kinds of drugs and pharmaceuticals, medicinal items*

and herbals.

- *To carry on business of manufacturing, processing, buying, reselling, importing, exporting, distributing, supplying, acting as agents and dealing in synthetic and other foods for human consumption, liquors, broths, mineral waters, yeast, vitamins, hormones, proteins, fertilizers, insecticides, animal feeds, pesticides, fungicides, sprays, vermifuges, disinfectants, germicides, acids, alkalis, salts, oils, oil products, nitrites, amines, amides, polyamides, vaccines, sera, perfumery and toiletries and other restoratives and requisites for human and animal therapy and to develop and deal in agriculture, horticulture, agricultural products, animal feeds, products of any kind and description.*
- *To carry on the business as manufacturers, traders, importers, exporters, dealers, agents, research and development of all kinds and types of additives, petroleum products, chemical based components, intermediates and finished products, lubricants, waxes, chemical additives, solvents, bitumen and derivatives of the aforesaid, organic and inorganic, soaps, amides, esters, surfactants, waxes, oxidates, synthetic lubricants, sulfonic acid, resins, polymers, solvent related products, metal working fluids..*
- *To carry on the business as mentioned herein above by integrating Software designing, development, customization, implementation, maintenance, testing and benchmarking, designing, developing and dealing in computer software and solutions, and to import, export, sell, purchase, distribute, host (in data centers or over the web) or otherwise deal in own and third party computer software packages, programs and solutions, and to provide internet/ web based applications, services and solutions, provide or take up information technology related assignments on sub-contracting basis, offering services on-site/ offsite or through development centers using owned, hired or third party infrastructure and equipment, providing recruitment and HR related services, providing and taking personnel/ consultants/ human resources to / from other organizations, providing solutions/ Packages/ services through applications services provider mode via internet or otherwise, to undertake business activities mentioned herein including IT enabled services like call Centre Management, Medical and legal transcription, data processing, Back office processing, Accounting, HR and payroll processing, Insurance claims processing, loans and letters of credit processing, repayment mechanism, data warehousing and database management, to carry on the business of manufacturing dealing*

and maintenance of computer hardware, computer systems and assemble data processors, program designs and to buy, sell or otherwise deal in such hardware and software packages and all types of tabulating machine, accounting machines, calculators, computerized telecommunication systems and network, their components spare parts, equipments and devices and to carry on the business activities using computer technology, offering equipment, solutions and services for networking and network management, data centre management and in providing consultancy services in all above mentioned areas.

14. FBL is presently engaged *inter alia* in the business of manufacturing and marketing of chemicals, active pharmaceutical ingredients ('API'), enzymes, pharmaceutical formulations and environmental solution products. FBL is an unlisted Public Company and is a majority owned subsidiary of the DIL as 91.20% issued, subscribed and paid up share capital of FBL is held by DIL as on the date.
15. The Authorised, Issued, Subscribed and Paid up Share Capital of FBL as on March 31, 2019 and as on date of this notice is as under:
16. As DIL holds 1,65,92,626 equity shares of INR. 10/- each (91.20%) in FBL (including 90 shares held by DIL's

Particulars	Amount (INR)
<b>Authorised Share Capital</b>	
19,010,000 Equity Shares of INR 10/- each	19,01,00,000
9,90,000 Preference Shares of INR 10/- each	99,00,000
<b>Total</b>	<b>20,00,00,000</b>
<b>Issued, Subscribed and Paid Up Share Capital</b>	
18,192,844 Equity Shares of INR. 10/- each	18,19,28,440
<b>Total</b>	<b>18,19,28,440</b>

nominees); upon amalgamation of FBL with DIL, these equity shares will stand cancelled as provided in the Scheme.

#### Description and Objective of the Scheme

17. The Scheme provides for, *inter alia*:
  - I. the amalgamation of FBL with DIL;
  - II. cancellation of the equity shares held by DIL in FBL;
  - III. dissolution without winding up of FBL;
  - IV. merger of the authorized share capital of FBL with

DIL; and

- V. various other matters consequential to or otherwise integrally connected with the above.

The proposal is to be implemented in terms of the Scheme under Sections 230 - 232 of the Act.

18. The rationale of amalgamation is stated in recital Clause A of the Scheme (**Annexure 1**) and is as under:

In order to consolidate and effectively manage FBL and DIL in a single entity and to achieve *inter-alia* economies of scale and efficiency, the merger is being undertaken. The amalgamation of FBL with DIL would *inter alia* have the following benefits:

- (a) Amalgamation to be value accretive to the shareholders of the Transferee Company as the shareholders would have direct access to the core business of the Transferor Company;
- (b) Greater integration and greater financial strength and flexibility for the amalgamated entity, which would result in maximising overall shareholder value;
- (c) Greater efficiency in cash management of the group and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize shareholder value;
- (d) Improved organizational capability and leadership, arising from the pooling of human capital having diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry;
- (e) Cost savings are expected to flow from more focused operational efforts, rationalization, standardisation and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses;
- (f) Reduction in the multiplicity of legal and regulatory compliances required at present to be separately carried out by the Transferor Company and the Transferee Company;
- (g) To optimally leverage the larger assets base and cash flow of the amalgamated entity;
- (h) Amalgamation will result in the Transferee Company directly controlling and managing the business of the Transferor Company which would lead to simplification of the shareholding structure and reduction of shareholding tiers; and
- (i) To meet the covenants for taking loan facility and to avail the incentivised reduction in the interest rates from lenders in respect of the borrowings.

#### Major Developments / Actions post announcement of the

## Scheme

19. The major developments / actions have taken place since announcement of the scheme, the details of which are as under:

- (a) The Board members of DIL in the Board meeting held on 18<sup>th</sup> June, 2018, subject to members' approval, approved:
  - i. split/sub-division of Share Capital of DIL from face value of INR. 10 (Rupees Ten) each to face value of INR. 5 (Rupees Five) each ('Split'); and
  - ii. issue of bonus equity shares in the proportion of 1:1 i.e. 1 (One) new fully paid-up equity share of INR. 5/- (Rupees Five only) each for every 1 (One) existing fully paid-up equity share of INR. 5/- (Rupees Five only) each ('Bonus Issue');
- (b) DIL Members, vide Postal Ballot including e-voting dated 25<sup>th</sup> July, 2018, approved the Split and issue of bonus equity shares ranking *pari passu* the then existing equity shares;
- (c) DIL Board of Directors, at its meeting held on 10<sup>th</sup> August, 2018, approved the issue of split/sub-divided share certificates and allotted 45,86,396 bonus equity shares of face value of INR. 5 each to such members whose name appeared in the member register as on record date i.e. 09<sup>th</sup> August, 2018. Post split, the number of equity shares stood revised i.e. from 22,93,198 equity shares of INR. 10 each to 45,86,396 equity shares of INR. 5 each. Post Bonus Issue, the number of equity shares increased from 45,86,396 equity shares of INR. 5 each to 91,72,792 equity shares of INR. 5 each.
- (d) Accordingly, post split and Bonus Issue, the total paid-up equity shares of the Company are 91,72,792 equity shares of INR. 5 each.
- (e) In terms of Section 149, 150, 152 and 161 of the Companies Act, 2013 and Regulation 17 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the members of the Board of Directors of the Company appointed Dr. Gopakumar Nair (DIN: 00092637) as an Additional (Independent) Director on the Board of Directors of the Company w.e.f. May 17, 2019.

## Corporate Approvals

20. The proposed Scheme was placed before the Audit Committee of DIL at its meeting held on 21<sup>st</sup> June, 2018. The Audit Committee of DIL based on the aforesaid, inter alia, recommended the Scheme to the Board of Directors of DIL.
21. The Scheme was placed before the Board of Directors of DIL, at its meeting held on 21st June, 2018. The report of the Audit Committee was also submitted to the Board

of Directors of DIL. Based on the aforesaid, the Board of Directors of DIL approved the Scheme. The meeting of the Board of Directors of DIL, held on 21st June, 2018, was attended by 5 (Five) directors (namely, Mr. Sanjay Buch, Mr. Vinayak Hajare, Ms. Rajeshwari Datla, Mr. Krishna Datla and Mr. Satish Varma in person). None of the Directors of DIL who attended the meeting voted against the Scheme. Thus, the Scheme was approved unanimously by the Directors of DIL who attended and voted at the meeting.

22. The proposed Scheme was placed before the Audit Committee of FBL at its meeting held on 21st June, 2018. The Audit Committee of FBL based on the aforesaid, inter alia, recommended the Scheme to the Board of Directors of FBL.
23. The Scheme was placed before the Board of Directors of FBL, at its meeting held on 21st June, 2018. The report of the Audit Committee was also submitted to the Board of Directors of FBL. Based on the aforesaid, the Board of Directors of FBL approved the Scheme. The meeting of the Board of Directors of FBL, held on 21st June, 2018, was attended by 5 (Five) directors (namely, Mr. Sanjay Buch, Dr. Gopakumar Nair, Ms. Anupama Datla Desai, Mr. Krishna Datla and Mr. Satish Varma in person). None of the Directors of FBL who attended the meeting voted against the Scheme. Thus, the Scheme was approved unanimously by the Directors of FBL who attended and voted at the meeting.

## Approvals and actions taken in relation to the Scheme

24. The shares of DIL, the Transferee Company are listed on the BSE Limited. The provisions of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10<sup>th</sup> March, 2017 including its amendments shall apply to the Scheme. Accordingly DIL as per the requirement of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10<sup>th</sup> March, 2017 had filed draft Scheme with the BSE Limited on 12<sup>th</sup> September 2018 with the Manager, Listing Department, BSE Limited, Phiroze Jeejebhoy Towers, Dalal Street, Mumbai – 400 001 for obtaining an approval from the BSE Limited under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirement), Regulations, 2015 for the Scheme, under sections 230 to 232 of the Act. The BSE Limited issued an Observation letter dated November 6, 2018 received on November 6, 2018 giving in-principle approval to amalgamation of FBL with DIL under Section 230 to 232 of the Act and granting permissions for filing an applications / petitions with the Hon'ble NCLT.
25. The Companies or any of them would obtain such necessary approvals / sanctions / no objection(s) from the regulatory or other governmental authorities in respect of the Scheme in accordance with law, if so required.
26. The applications along with the annexure thereto (which includes the Scheme) were filed by the

Companies with the NCLT, on 12<sup>th</sup> November, 2018.

27. This notice convening Meeting of the Secured Creditors of the Transferee Company along with aforesaid documents are placed on the website of the Company viz. [www.dil.net](http://www.dil.net).

#### **Salient extracts of the Scheme**

28. The salient extracts of the Scheme are as under:

Scheme of Amalgamation under sections 230 to 232 and other applicable provisions of the Act for merger of Fermenta Biotech Limited (the "Transferor Company") with DIL Limited (the "Transferee Company") with an appointed date of 1<sup>st</sup> April, 2018.

Scheme provides for transfer of all assets / liabilities / rights / obligations of FBL into DIL.

Consideration for merger: 100 equity shares of DIL of INR. 5 each fully paid up for every 251 equity shares of FBL of INR. 10 each fully paid up. Any fractional equity shares resulting out of allotment of new equity shares by DIL to FBL shareholders will be rounded off as per the terms of the Scheme. As FBL is a majority subsidiary of DIL, no shares will be issued against the shares held by DIL in FBL.

**You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The aforesaid are only some of the salient extracts thereof.**

#### **Other matters**

29. The accounting treatment as proposed in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Act. The certificate issued by Deloitte Haskins and Sells LLP, Statutory Auditors, is open for inspection.

30. Under the Scheme, an arrangement is sought to be entered into between DIL and its equity Shareholders. *Upon the effectiveness of the Scheme, DIL shall without any further application, act or deed, issue and allot 100 (Hundred) equity shares of INR. 5/- (Rupees Five only) each credited as fully paid-up of DIL for every 251 (Two Fifty One) equity shares of INR. 10/- (Rupees Ten only) held in FBL and whose names are recorded in the register of members on the Record Date.*

A copy of the Valuation Report dated 21<sup>st</sup> June, 2018 of N S Kumar & Co., Independent Chartered Accountants, describing the methodology adopted by them in arriving at the share exchange ratio, is enclosed as **Annexure 2** and a copy of the Fairness Opinion dated 21<sup>st</sup> June, 2018 prepared by Keynote Corporate Services Limited, a SEBI Registered Merchant Banker, providing the Fairness Opinion on the share exchange ratio, is enclosed as **Annexure 3**.

As far as the Equity shareholders of DIL are concerned (promoter shareholders as well as Non-Promoter

shareholders), pursuant to issue and allotment of shares of DIL to the Shareholders of FBL, the Promoter Holding in DIL will reduce from 62.59% to 58.92%. The overall public shareholding in DIL will increase from 37.41% to 41.08%.

In respect of the Scheme, there is no arrangement with the creditors of DIL. No compromise is offered under the Scheme to any of the creditors of DIL. The liability of the creditors of DIL, under the Scheme, is neither being reduced nor being extinguished.

As on date, DIL has no outstanding towards any public deposits and therefore, the effect of the Scheme on any such public deposit holders does not arise. As on date, DIL has not issued any debentures. In the circumstances, the effect of the Scheme on the debenture trustee does not arise.

Under the Scheme, no rights of the Employees of DIL are being affected. The services of the Employees of DIL, under the Scheme, shall continue on the same terms and conditions on which they were engaged by DIL.

There is no effect of the Scheme on the key managerial personnel and/or the Directors of DIL. Further no change in the Board of Directors of DIL is envisaged on account of the Scheme.

Further, none of the Directors, the Key Managerial Personnel (as defined under the Act and rules framed thereunder) of DIL and their respective relatives (as defined under the Act and rules framed thereunder) have any interest in the Scheme except to the extent of the equity shares held by them in DIL and/or to the extent that the said Director(s) are common director(s) of the Companies and/or to the extent the said Director(s) are holding shares in FBL as nominee and/or to the extent that the said Director(s), Key Managerial Personnel and their respective relatives are the directors, members of the companies that hold shares in the respective Companies. Save as aforesaid, none of the said Directors or the Key managerial Personnel has any material interest in the Scheme. The Company Secretary, Chief Executive Officer, and Chief Financial Officer and their respective relatives do not hold any equity shares in the paid-up share capital of each of the Companies.

31. Under the Scheme, an arrangement is sought to be entered into between FBL and its equity shareholders. Upon the effectiveness of the Scheme, FBL shall stand dissolved without winding up. Upon the effectiveness of the Scheme, the equity shares held by DIL in the paid-up equity share capital of FBL shall stand cancelled.

In respect of the Scheme, there is no arrangement with the creditors, either secured or unsecured of FBL. No compromise is offered under the Scheme to any of the creditors of FBL. The liability of the creditors of FBL,

under the Scheme, is neither being reduced nor being extinguished.

As on date, FBL has no outstanding towards any public deposits and therefore, the effect of the Scheme on any such public deposit holders does not arise. As on date, FBL has not issued any debentures. In the circumstances, the effect of the Scheme on the debenture trustee does not arise.

Under Clause 8 of the Scheme, on and from the Effective Date, DIL undertakes to engage the Employees of FBL, on the same terms and conditions on which they are engaged by FBL without any interruption of service and in the manner provided under Clause 8 of the Scheme. In the circumstances, the rights of the Employees of FBL, engaged in, would in no way be affected by the Scheme.

Chief Financial Officer and Company Secretary of FBL shall cease to be KMPs in the merged company; however, their employments shall continue with all the other terms of employment remaining unchanged post-merger, with DIL.

Upon the effectiveness of the Scheme, the directors of FBL shall cease to be its directors as FBL shall stand dissolved without winding up.

Further, none of the Directors, the Key Managerial Personnel (as defined under the Act and rules framed thereunder) of FBL and their respective relatives (as defined under the Act and rules framed thereunder) have any interest in the Scheme except to the extent that the said Director(s) are common director(s) of the Companies and/or to the extent the said Director(s) are holding shares in FBL as nominee of the equity shares held by them and/or to the extent that the said Director(s), Key managerial Personnel and their respective relatives are the directors, members of the companies that hold shares in the respective Companies. Save as aforesaid, none of the said Directors or the Key Managerial Personnel has any material interest in the Scheme.

32. The Scheme does not involve any capital or debt restructuring and therefore the requirement to disclose details of capital or debt restructuring is not applicable.
33. In compliance with the provisions of Section 232(2)(c) of the Act, the Board of Directors of FBL and DIL have in their separate meetings held on 21<sup>st</sup> June, 2018 respectively, have adopted a report, *inter alia*, explaining effect of the Scheme on each class of shareholders, key managerial personal, promoters and non-promoter shareholders amongst others. Copy of the Reports adopted by the respective Board of Directors of FBL and DIL are enclosed as **Annexure 4** and **Annexure 5** respectively.

34. A copy of abridged prospectus providing an information pertaining to the unlisted entity i.e. FBL, involved in the scheme as per the format specified in Part D of Schedule VIII of the ICDR Regulations along with a copy of certificate from the Merchant Banker confirming the adequacy and accuracy of the information contained in above document on unlisted entity i.e. FBL in terms of Para 3(a) of Part I(A) of the SEBI circular dated 10<sup>th</sup> March, 2017 are enclosed as **Annexure 6** and **Annexure 7** respectively.
35. None of the Companies is registered under the Competition Commission of India Act or under the corresponding provisions of the Monopolies & Restrictive Trade Practices Act and no investigation is pending against either of these Companies under Sections 210 to 229 of Chapter XIV of the Companies Act, 2013 or under the corresponding provisions of the Companies Act, 1956. Further no proceedings are pending under the Act or under the corresponding provisions of the companies Act, 1956 against any of the Companies.
36. To the best of knowledge of the Companies, there are no winding up petitions or resolution process under the provisions of Insolvency and Bankruptcy Code, 2016 pending against the Transferee Company in any Court or the National Company Law Tribunal in India.
37. The copy of the Observation letter dated 6<sup>th</sup> November, 2018 issued by the BSE Limited to DIL is enclosed as **Annexure 8**.
38. The copy of the proposed Scheme has been filed by the respective Companies before the concerned Registrar of Companies on June 7, 2019.
39. A copy of Audited financial statements of DIL Limited as on 31<sup>st</sup> March 2019 are enclosed as **Annexure 9 (colly)**..
40. A copy of Audited financial statements of Fermenta Biotech Limited as on 31<sup>st</sup> March 2019 are enclosed as **Annexure 10 (colly)**..
41. A copy of Complaint report dated October 8, 2018 of DIL Limited filed with the BSE Limited in terms of Para 6(a) of Part I(A) of the SEBI circular dated 10<sup>th</sup> March, 2017, is enclosed as **Annexure 11**.
42. As per the books of accounts (as on 31<sup>st</sup> March, 2019) of FBL and DIL the amount due to the secured creditors is INR. 65.08 Crores and INR. 137.37 Crores respectively.
43. As per the books of accounts (as on 31<sup>st</sup> March, 2019) of FBL and DIL, the amount due to the unsecured creditors is INR. 34 Crores and INR. 29.67 Crores respectively.
44. The names and addresses of the Promoters of DIL Limited including their shareholding in the Company as on the date of this notice are as under:



Sr. No.	Name and address of Promoters and Promoter Group	DIL	
		No. of Shares of INR. 5/- each	%
1.	DVK Investments Pvt. Ltd A-1601, The One, DIL Complex, Ghodbunder Road, Majiwade, Thane, West, 400610	49,44,940	53.91
2.	Krishna Datla 42/B, Dhananjay, Presidency CHS, JVPD Scheme, Juhu, Vile Parle (W), Mumbai-400049	7,96,340	8.68

45. The name and addresses of the Promoters of FBL Limited including their shareholding in the Companies as on the date of this notice are as under:

Sr. No.	Name and address of Promoters and Promoter Group	FBL	
		No. of Shares of INR.10/- each	%
1.	DIL Limited A-1601, The One, DIL Complex, Ghodbunder Road, Majiwade, Thane (W) 400610	1,65,92,626	91.20
2.	Krishna Datla 42/B, Dhananjay, Presidency CHS, JVPD Scheme, Juhu, Vile Parle (W), Mumbai-49	10,800	0.06

46. The details of the Directors of DIL as on the date of this notice are as follows:

Sr. No.	Name of Director	Designation	Address	DIN
1.	Mr. Sanjay Ramakant Buch	Chairman & Independent Director	7/31, Bandra Sona CHS Complex, Krishnachandra Marg, Bandra (W), Mumbai-400050, Maharashtra, India	00391436
2.	Ms. Rajeshwari Datla	Director	42/B, Dhananjay, Presidency CHS, JVPD Scheme, Juhu, Vile Parle (W), Mumbai-400049, Maharashtra, India	00046864
3.	Mr. Krishna Vasantkumar Datla	Managing Director	42/B, Dhananjay, Presidency CHS, JVPD Scheme, Juhu, Vile Parle (W), Mumbai-400049, Maharashtra, India	00003247
4.	Mr. Satish Varma Azad Nadimpally	Director	Flat No. 1104, Quiscent Heights, Mindspace, Link Road, Malad (W), Mumbai-400064, Maharashtra, India	00003255
5.	Mr. Vinayak Manohar Hajare	Independent Director	Flat No. 3/4, Sarguro Park I, Deonar Farm Road, Deonar, Mumbai-400088, Maharashtra, India	00004635
6.	Dr. Gopakumar Nair	Additional (Independent) Director	C-002/003, Gokul Plaza, Thakur Complex, Kandivali (East) Mumbai 400101	00092637

47. The details of the Directors of FBL as on this date of notice are as follows :

Sr. No.	Name of Director	Designation	Address	DIN
1.	Mr. Sanjay Ramakant Buch	Chairman & Independent Director	7/31, Bandra Sona CHS Complex Krishnachandra Marg, Bandra (W), Mumbai-400050	00391436
2.	Mr. Krishna Vasantkumar Datla	Director	42/B, Dhananjay, Presidency CHS, JVPD Juhu Scheme, Vile Parle (W) Mumbai-400049	00003247
3.	Mr. Satish Varma Azad Nadimpally	Managing Director	Flat no. 1104, Quiscent Heights, Mindspace Link Road, Malad (W), Mumbai-400064	00003255
4.	Dr. Gopakumar Gopalan Nair	Independent Director	C-002/003, Gokul Plaza, Thakur Complex, Kandivali (E) Mumbai-400101	00092637
5.	Ms. Anupama Datla Desai	Executive Director	A/802, Aditya, Samarth Ramadas Marg, Juhu Scheme, Vile Parle (W), Mumbai-400049	00217027

48. The details of the shareholding of the Directors and the Key Managerial Personnel of DIL in FBL as on the date of this notice are as follows :

Name of Director and KMP held in FBL	Position	Equity Shares
Mr. Krishna Datla	Managing Director	10,800
Ms. Rajeshwari Datla	Director	90,738
Mr. Satish Varma	Director	10*

\*Shares held u/s. erstwhile 187C of the Companies Act, 1956 (now Section 89 of Companies Act, 2013) in favour of DIL Limited.

49. The details of the shareholding of the Directors and the Key managerial Personnel of FBL in DIL as on this date of notice are as follows:

Name of Director and KMP held in DIL	Position	Equity Shares
Mr. Krishna Datla	Director	7,96,340
Ms. Anupama Datla Desai	Executive Director	1,05,996
Dr. Gopakumar Nair	Additional (Independent) Director	2,000

50. The Pre-Amalgamation shareholding pattern of FBL as on 7<sup>th</sup> September, 2018 and the Pre and Post-Amalgamation (expected) shareholding pattern of DIL are as under:

Pre-amalgamation shareholding pattern of FBL:

Sr.	Category	No. of fully paid up equity shares held of Rs. 10 each	Shareholding as a % of total no. of shares
(A)	Promoter		
(1)	Individuals		
(a)	Krishna Datla	10,800	0.06
	<b>Sub-Total (A)(1)</b>	<b>10,800</b>	<b>0.06</b>
(2)	Bodies Corporate		
(a)	DIL Limited	1,65,92,626	91.20
	<b>Sub-Total (A)(2)</b>	<b>1,65,92,626</b>	<b>91.20</b>
	<b>Total Shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>1,66,03,426</b>	<b>91.26</b>
(B)	Public		
(a)	Individuals	8,99,060	4.94
(b)	Fermenta Biotech Limited ESOP Trust	4,88,334	2.69
(c)	Bodies Corporate	2,02,024	1.11
	<b>Sub Total (B)</b>	<b>15,89,418</b>	<b>8.74</b>
	<b>Grand Total (A)+(B)</b>	<b>1,81,92,844</b>	<b>100</b>

Pre-Amalgamation shareholding pattern of DIL as on September 07, 2018:

Sr.	Category	No. of fully paid up equity shares held of Rs. 5 each	Shareholding as a % of total no. of shares
(A)	<b>Promoter</b>		
(1)	Individuals		
(a)	Krishna Datla	7,96,340	8.6815
	<b>Sub-Total (A)(1)</b>	7,96,340	8.6815
(2)	Bodies Corporate		
(a)	DVK Investments Pvt Ltd	49,44,940	53.9088
	<b>Sub-Total (A)(2)</b>	49,44,940	53.9088
	<b>Total Shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>57,41,280</b>	<b>62.5903</b>
(B)	<b>Public</b>		
(a)	Institutions	9,368	0.1021
(b)	Individuals	28,84,578	31.4471
(c)	NBFCs	500	0.0055
(d)	Others	5,37,066	5.855
	<b>Sub Total (B)</b>	<b>34,31,512</b>	<b>37.4097</b>
(2)	<b>Grand Total (A)+(B)</b>	<b>91,72,792</b>	<b>100</b>

Post-Amalgamation (expected) shareholding pattern of DIL as on September 12, 2018:

Sr.	Category	No. of fully paid up equity shares held of Rs. 5 each	Shareholding as a % of total no. of shares
(A)	<b>Promoter</b>		
(1)	Individuals		
(a)	Krishna Datla	8,00,643	8.1612
	<b>Sub-Total (A)(1)</b>	8,00,643	8.1612
(2)	Corporate Bodies		
(a)	DVK Investments Pvt Ltd	49,79,611	50.7589
	<b>Sub-Total (A)(2)</b>	49,79,611	50.7589
	<b>Total Shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>57,80,254</b>	<b>58.9201</b>
(B)	<b>Public</b>		
(a)	Institutions	9,368	0.0955
(b)	Individuals	32,42,769	33.0546
(c)	NBFCs	500	0.0051
(d)	Employee Trust	1,94,555	1.9832
(e)	Others	5,82,883	5.9415
(2)	<b>Sub Total (B)</b>	<b>40,30,075</b>	<b>41.0799</b>
	<b>Grand Total (A)+(B)</b>	<b>98,10,329</b>	<b>100</b>

51. The Pre and Post-Amalgamation (expected) capital structure of DIL will be as follows (assuming the continuing capital Structures as on date:

#### PREAMALGAMATION

	Amount (INR)
<b>Authorised Share Capital</b>	
98,40,000 equity shares of Rs. 5 each	4,92,00,000
1,60,000 unclassified shares of Rs. 5 each	8,00,000
<b>Total</b>	<b>5,00,00,000</b>
<b>Issued Capital</b>	
91,72,792 equity shares of Rs. 5 each	4,58,63,960
<b>Total</b>	<b>4,58,63,960</b>
<b>Subscribed and Paid Up Capital</b>	
91,72,792 equity shares of Rs. 5 each	4,58,63,960
<b>Total</b>	<b>4,58,63,960</b>

#### POSTAMALGAMATION (EXPECTED)

	Amount (INR)
<b>Authorised Share Capital</b>	
4,98,40,000 equity shares of Rs. 5/- each	24,92,00,000
1,60,000 Unclassified shares of Rs. 5/- each	8,00,000
<b>Total</b>	<b>25,00,00,000</b>
<b>Issued Capital</b>	
98,10,329 equity shares of Rs. 5 each	4,90,51,645
<b>Total</b>	<b>4,90,51,645</b>
<b>Subscribed and Paid Up Capital</b>	
98,10,329 equity shares of Rs. 5 each	4,90,51,645
<b>Total</b>	<b>4,90,51,645</b>

52. In the event that the Scheme is withdrawn in accordance with its terms, the Scheme shall stand revoked, cancelled and be of no effect and null and void.

53. The following documents will be open for inspection by the secured creditors of the Transferee Company at its registered office at A-1601, Thane One, 'DIL' Complex, Ghodbunder Road, Majiwade, Thane (W) – 400 610, Maharashtra, India between 10: 00 a.m. and 02:00 p.m. on all days (except Saturdays, Sundays and public holidays) up to the date of the meeting :

- I. Copy of the Order passed by NCLT in Company Scheme Application No. 1394 of 2018 dated June 6, 2019 directing Transferee Company to, *inter alia*, convene the meeting of its equity shareholders and creditors;
- II. Copy of Company Scheme Application No. 1394 of 2018 along with annexure filed by the Transferee Company before NCLT;
- III. Copy of the Memorandum and Articles of Association of DIL and FBL;
- IV. Copy of the annual reports of DIL and FBL for the financial years ended 31<sup>st</sup> March, 2017, 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2019;
- V. Copy of the Audited financial statements of DIL and FBL for the financial year ended on 31<sup>st</sup> March, 2019;
- VI. List of Subsidiary Companies, joint ventures and associates of DIL and FBL as on the date of this notice
- VII. Copy of the Register of Directors' shareholding of DIL;
- VIII. Copy of audit Committee Report dated 21<sup>st</sup> June, 2018 of DIL and FBL;
- IX. Copy of the resolutions, dated 21<sup>st</sup> June, 2018, passed by the Board of Directors of DIL and FBL approving the Scheme;
- X. Copy of the extracts of the minutes of the meetings, held on 21<sup>st</sup> June, 2018, of the Board of Directors of DIL and FBL, in respect of the approval of the Scheme;
- XI. Copy of the Valuation Report dated 21<sup>st</sup> June, 2018 of N S Kumar & Co., Independent Chartered Accountants, describing the methodology adopted by them in arriving at the share exchange ratio;
- XII. Copy of the Fairness Opinion dated 21<sup>st</sup> June, 2018 prepared by Keynote Corporate Services Limited, a SEBI Registered Merchant Banker, providing the Fairness Opinion on the share exchange ratio as recommended by N S Kumar & Co.;
- XIII. Copy of the Statutory Auditors' certificate dated 05<sup>th</sup> July, 2018 issued by Deloitte Haskins & Sells LLP., Chartered Accountants to DIL, confirming the compliance of the accounting treatment as specified by Central Government in Section 133 of the Companies Act, 2013;
- XIV. Copy of abridged prospectus providing an information pertaining to the unlisted entity i.e. FBL, involved in the scheme as per the format specified in Part D of Schedule VIII of the ICDR Regulations along with a copy of certificate from the Merchant Banker confirming the adequacy and accuracy of the information contained in above document on unlisted company in terms of Para 3(a) of Part I(A) of the SEBI circular dated 10<sup>th</sup> March, 2017.
- XV. Copy of the Observation letter dated 06<sup>th</sup> November, 2018 issued by the BSE Limited to DIL;
- XVI. A copy of Complaint report dated October 8, 2018 of DIL Limited filed with the BSE Limited in terms of Para 6(a) of Part I(A) of the SEBI circular dated 10<sup>th</sup> March, 2017.
- XVII. Copy of Form No. GNL-1 filed by DIL with the concerned Registrar of Companies along with challan dated June 7, 2019 evidencing filing of the Scheme with the concerned Registrar of Companies;
- XVIII. Copy of the certificates, dated 31<sup>st</sup> May, 2019 and 3<sup>rd</sup> June, 2019 issued by M/s. Anil Dikshit & Co., Independent Chartered Accountants, certifying the amount due to the Unsecured and Secured Creditors, respectively, of DIL and FBL as on 31<sup>st</sup> March, 2019;
- XIX. Copy of the Scheme; and
- XX. Copy of the Report dated 21<sup>st</sup> June, 2018 adopted by the Board of Directors of DIL and FBL, pursuant to the provisions of section 232(2)(c) of the Act.
54. This statement may be treated as an Explanatory Statement under Sections 230(3), 232(1), 232(2) and 102 of the Act read with Rule 6 of the Rules. A copy of the Scheme, Explanatory Statement and Form of Proxy shall be furnished by DIL to its secured creditors, free of charge, within one (1) day (except Saturdays, Sundays and public holidays) on a requisition being so made for the same by the secured creditors of DIL.
55. After the Scheme is approved, by the equity shareholders and creditors of DIL it will be subject to the approval / sanction by NCLT.

**Sd/-**

**Siddarth Thakur**

Chairman appointed for the meeting

Dated this 7th day of June, 2019.

**Registered office:**

A-1601, Thane One, 'DIL' Complex,  
Ghodbunder Road, Majiwade,  
Thane (West) – 400 610,  
Maharashtra, India.

## ANNEXURE 1

**SCHEME OF AMALGAMATION  
UNDER SECTIONS 230 TO 232  
AND OTHER APPLICABLE PROVISIONS  
OF THE COMPANIES ACT, 2013  
OF  
FERMENTABIOTECH LIMITED  
(THE “TRANSFEROR COMPANY”)  
AND  
DIL LIMITED  
(THE “TRANSFeree COMPANY”)  
AND  
THEIR RESPECTIVE SHAREHOLDERS**

### GENERAL

#### A. Description of Companies and Background:

- I. **Fermenta Biotech Limited**, Transferor Company (CIN:U99999MH1986PLC134021) is an unlisted public limited company incorporated under the Companies Act, 1956 having its registered office at A-1501, Thane One, ‘DIL’ Complex, Ghodbunder Road, Majiwade, Thane (W) – 400 610, Maharashtra, India (hereinafter referred to as the “**Transferor Company**”). The Transferor Company is engaged in the business of manufacturing and marketing of chemicals, active pharmaceutical ingredients (‘API’), enzymes, pharmaceutical formulations and environmental solution products. The Transferor Company is a subsidiary of the Transferee Company.
- II. **DIL Limited**, Transferee Company (CIN: L99999MH1951PLC008485) is a listed public limited company incorporated under the Companies Act, 1913 having its registered office at A-1601, Thane One, ‘DIL’ Complex, Ghodbunder Road, Majiwade, Thane (W) – 400 610, Maharashtra, India (hereinafter referred to as the “**Transferee Company**”). The Transferee Company was originally incorporated to engage in the business of manufacturing and marketing of drugs and pharmaceuticals, chemicals, cosmetics and toiletries products under the name International Franchise Private Limited. In 1971, its name was changed to Crookes Interfran Limited which was further changed to Duphar-Interfran Limited and post demerger of its formulation business to Solvay Pharma India Limited in 2001 to DIL Limited. The Transferee Company is majorly into the business of manufacturing and marketing of chemicals, API, enzymes, pharmaceutical formulations and environmental solution products, through its subsidiary and is also engaged in the business of renting of properties.
- III. The Transferor Company is a majority owned subsidiary of the Transferee Company as the 91.20% of issued, subscribed and paid-up share capital of the Transferor Company is held by the Transferee Company as on the date of this Scheme.
- IV. The Transferee Company’s equity shares are listed on the BSE Limited.
- V. This Scheme of Amalgamation provides for the amalgamation of the Transferor Company with the Transferee Company and other consequential matters pursuant to Sections 230 to 232 and other relevant provisions of the Companies Act, 2013.

#### B. Rationale for the Scheme

The Transferee Company is holding 91.20% equity stake in the Transferor Company. In order to consolidate and effectively manage the Transferor Company and the Transferee Company in a single entity and to achieve *inter-alia* economies of scale and efficiency, the merger is being undertaken. The amalgamation of the Transferor Company with the Transferee Company would *inter alia* have the following benefits:

- (a) Amalgamation to be value accretive to the shareholders of the Transferee Company as the shareholders would have direct access to the core business of the Transferor Company;

- (b) Greater integration and greater financial strength and flexibility for the amalgamated entity, which would result in maximising overall shareholder value;
- (c) Greater efficiency in cash management of the Transferee Company and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize shareholder value;
- (d) Improved organizational capability and leadership, arising from the pooling of human capital having diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry;
- (e) Cost savings are expected to flow from more focused operational efforts, rationalization, standardisation and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses;
- (f) Reduction in the multiplicity of legal and regulatory compliances required at present to be separately carried out by the Transferor Company and the Transferee Company;
- (g) To optimally leverage the larger assets base and cash flow of the amalgamated entity;
- (h) Amalgamation will result in the Transferee Company directly controlling and managing the business of the Transferor Company which would lead to simplification of the shareholding structure and reduction of shareholding tiers; and
- (i) To meet the covenants for taking loan facility and to avail the incentivised reduction in the interest rates from lenders in respect of the borrowings.

In view of the aforesaid, the Board of Directors of the Transferor Company and the Transferee Company have considered and proposed the amalgamation of the entire undertaking and business of the Transferor Company with the Transferee Company in order to benefit the stakeholders of both the companies. Accordingly, the Board of Directors of the Transferor Company and the Transferee Company have formulated this Scheme of Amalgamation for the transfer and vesting of the entire undertaking and business of the Transferor Company with and into the Transferee Company pursuant to the provisions of Section 230 to Section 232 and other relevant provisions of the companies Act, 2013.

- C. Under the Scheme, there is no arrangement with the creditors, either secured or unsecured of the Transferor and/or the Transferee Company. No compromise is offered under the Scheme to any of the creditors of the Transferor and/or the Transferee Company. The liability of the creditors of the Transferor and/or the Transferee Company, under the Scheme, is neither being reduced nor being extinguished.

**D. Parts of the Scheme:**

This Scheme of Amalgamation is divided into the following parts:

- (i) **Part I** deals with definitions of the terms used in this Scheme of Amalgamation and sets out the share capital of the Transferor Company and the Transferee Company;
- (ii) **Part II** deals with the transfer and vesting of the Undertaking (as hereinafter defined) of the Transferor Company to and in the Transferee Company;
- (iii) **Part III** deals with the issue of new equity shares by the Transferee Company to the eligible shareholders of the Transferor Company, as applicable;
- (iv) **Part IV** deals with the accounting treatment for the amalgamation in the books of the Transferee Company and dividends;
- (v) **Part V** deals with the dissolution of the Transferor Company and the general terms and conditions applicable to this Scheme of Amalgamation and other matters consequential and integrally connected thereto.

**PART I**

**DEFINITIONS AND SHARE CAPITAL**

**1. DEFINITIONS**

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meaning:

- 1.1. **“The Act”** means the Companies Act, 2013, the rules and regulations made thereunder and will include any statutory re-enactment or amendment(s) thereto, from time to time;
- 1.2. **“Appointed Date”** for the purpose of this Scheme and for the IT Act, means the opening of business hours on 1<sup>st</sup> April 2018;
- 1.3. **“Board of Directors”** or **“Board”** means the board of directors of the Transferor Company or the Transferee Company, as the case may be, and shall include a duly constituted committee thereof or any person authorised by the Board or such committee;
- 1.4. **“BSE”** means BSE Limited;
- 1.5. **“Effective Date”** means the last of the dates on which the certified or authenticated copies of the orders of the National Company Law Tribunal sanctioning the Scheme are filed with the respective Registrar of Companies by the Transferor Company and by the Transferee Company.  
  
Any references in this Scheme to the date of **“coming into effect of this Scheme”** or **“effectiveness of this Scheme”** or **“Scheme taking effect”** shall mean the Effective Date;
- 1.6. **“Eligible Employees”** means the employees who are eligible for the Stock Option Scheme of the Transferor Company;
- 1.7. **“ESOP”** means the Employees Stock Option Scheme of the Transferor Company pursuant to which eligible employees of the Transferor Company are entitled to be issued shares in the Transferor Company upon exercise of a stock option;
- 1.8. **“Governmental Authority”** means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction over the territory of India including but not limited to Securities and Exchange Board of India, Stock Exchange, Registrar of Companies, NCLT;
- 1.9. **“ISO”** means International Organisation for Standardisation;
- 1.10. **“IT Act”** means the Income Tax Act, 1961, of India, including any statutory modifications, re-enactments or amendments thereof for the time being in force;
- 1.11. **“MAT Credit”** means Minimum Alternate Tax credit;
- 1.12. **“MEIS”** means Merchandise Exports from India Scheme;
- 1.13. **“NCLT”** means the National Company Law Tribunal, Bench at Mumbai, having jurisdiction in relation to the Transferee Company and the Transferor Company;
- 1.14. **“Registrar of Companies”** means the Registrar of Companies, Maharashtra at Mumbai;
- 1.15. **“Record Date”** means the date to be fixed by the Board of Directors of the Transferee Company in consultation with the Board of Directors of the Transferor Company which shall either be the Effective Date, or a date after the Effective Date, for the issue and allotment of fully paid up equity shares of the Transferee Company to the shareholders of the Transferor Company pursuant to the Scheme upon amalgamation of the Transferor Company into the Transferee Company;
- 1.16. **“Scheme”** means this Scheme of Amalgamation between the Transferor Company and the Transferee Company and their respective shareholders, pursuant to Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 in its present form, and/or as submitted to the NCLT together with any modification(s) approved or directed by the NCLT;
- 1.17. **“SEBI”** means Securities and Exchange Board of India established through the SEBI Act, 1992;
- 1.18. **“SGST, CGST and IGST”** means the State Goods and Services Tax, the Central Goods and Services Tax and Integrated Goods and Services Tax;
- 1.19. **“Share Exchange Ratio”** means the ratio in which equity shares of the Transferee Company are to be issued and allotted to the shareholders of the Transferor Company under Clause 12;
- 1.20. **“Stock Exchange”** means BSE Limited where the shares of the Transferee Company are listed;

- 1.21. “Transferor Company”** means **Fermenta Biotech Limited** (CIN:U99999MH1986PLC134021), a company incorporated under the Companies Act, 1956 having its registered office at A-1501, Thane One, ‘DIL’ Complex, Ghodbunder Road, Majiwade, Thane (W) – 400 610, Maharashtra, India;
- 1.22. “Transferor ESOP Scheme”** means the Employees Stock Option Scheme of the Transferor Company pursuant to which eligible employees of the Transferor Company are entitled to be issued shares in the Transferor Company upon exercise of a stock option;
- 1.23. “Transferor Option”** means a stock option granted under an ESOP Scheme of the Transferor Company;
- 1.24. “Tax(s)”** means the advance tax, the tax deducted at source, deferred tax payment, the income tax under IT Act and any such direct or indirect taxes as may be applicable to the Transferor and Transferee Companies;
- 1.25. “Transferee Company”** means **DIL Limited** (CIN: L99999MH1951PLC008485) a company incorporated under the Companies Act, 2013. having its registered office at A-1601, Thane One, ‘DIL’ Complex, Ghodbunder Road, Majiwade, Thane (W) – 400 610, Maharashtra, India;
- 1.26. “Undertaking”** means the whole of the undertaking and entire business of the Transferor Company as a going concern, including (without limitation):
- I. All the assets and properties (whether movable or immovable, tangible or intangible, real or personal, corporeal or incorporeal, present, future or contingent) of the Transferor Company, including but not limited to land (freehold/leasehold), plant and machinery, equipment, buildings and structures, offices, residential and other premises, furniture, fixtures, office equipment, appliances, accessories, depots, deposits, all stocks, assets, investments of all kinds (including shares, scrips, stocks, bonds, debenture stocks, units), and interests, cash balances or deposits with banks, loans, advances, disbursements, contingent rights or benefits, book debts, receivables, actionable claims, insurance claims, insurance policies, earnest moneys, advances or deposits paid by the Transferor Company, financial assets, leases (including lease rights), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, municipal permissions, tenancies in relation to the office and/or residential properties for the employees or other persons, guest houses, godowns, warehouses, licenses, fixed and other assets, trade and service names and marks, patents, copyrights, and other intellectual property rights of any nature whatsoever, know how, goodwill, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, subsidiaries, joint ventures, associates, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights including, title, interests, other benefits (including tax benefits), easements, privileges, liberties, mortgages, hypothecations, pledges or other security interests created in favour of the Transferor Company and advantages of whatsoever nature and wheresoever situated in India or abroad, belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company, whether in India or abroad;
  - II. All liabilities including, without being limited to, secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations of the Transferor Company, of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised;
  - III. All agreements, rights, contracts, entitlements, permits, licenses, approvals, authorizations, concessions, consents, quota rights, engagements, arrangements, authorities, allotments, security arrangements (to the extent provided herein), benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the Transferor Company;
  - IV. All records, files, papers, computer programs, manuals, data, catalogues, sales material, lists of customers and suppliers, other customer information and all other records and documents relating to the business activities and operations of the Transferor Company;
  - V. All permanent employees engaged by the Transferor Company as on the Effective Date.



- VI. All quotas, rights, entitlements, export/import incentives and benefits including advance licenses, MEIS, all kinds of duty drawbacks, bids, tenders (at any stage as it may be), letters of intent, expressions of interest, development rights (whatever vested or potential and whether under agreements or otherwise), subsidies, tenancies in relation to office, benefit of any deposits / privileges, all other rights, receivables, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions and benefits of all agreements, contracts and arrangements, including technological licensing agreements, and benefits including but not limiting to all other interests in connection with or relating thereto;
- VII. All brand names, trademarks, trade names, patents and domain names, the intellectual property in relation to AND As (Abbreviated New Drug Application), Certificate of Pharmaceutical Products (CoPPs), Certificate of Suitability (CoS) registrations; applications and authorizations of pharmaceutical products with governmental authorities in any jurisdiction (in so far as such pharmaceutical products pertain to the Undertaking), filings, dossiers copyrights, industrial designs, trade secrets, know-how; ongoing research projects, data, formulations, technology, methodology, manufacturing procedures and techniques, test procedures, product registrations, applications and authorizations, Star Export House recognition and other intellectual property (in India or outside India) and all other interests exclusively relating to the goods or services being dealt with by the Transferor Company;
- VIII. All intellectual property rights created, developed or invented by employees concentrated on the research, development or marketing of products (including process development or enhancement) in connection with the Transferor Company;
- IX. All benefits and privileges under letters of permission and letters, of approvals in respect of Special Economic Zones and Export Oriented Units and the benefits related thereto, all tax credits, including SGST, CGST and IGST credits, refunds, reimbursements, claims, exemptions, benefits under service tax laws, value added tax, purchase tax, sales tax, MEIS, entry tax in Himachal Pradesh or any other duty or tax or cess or imposts under central or state law including sales tax deferrals, advance taxes, tax deducted at source, right to carry forward and set-off unabsorbed losses, if any and depreciation, MAT Credit, deductions and benefits under the IT Act, as well as any recognition of the In-house Research and Development unit with the Department of Scientific & Industrial Research or any Government Authority;

1.27. “US FDA” means United States Food and Drug Administration;

1.28. All capitalized terms not defined but used in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations and byelaws, as the case may be, or any statutory amendment(s) or re-enactment thereof, for the time being in force.

## 2. SHARECAPITAL

### 2.1. Transferor Company:

The Authorised, Issued, Subscribed and Paid-up share capital of the Transferor Company as on March 31, 2018 was as under:

Particulars	Amount (INR)
<b>Authorised Share Capital</b>	
19,010,000 Equity Shares of INR 10/- each	19,01,00,000
9,90,000 Preference Shares of INR 10/- each	99,00,000
<b>Total</b>	<b>20,00,00,000</b>
Issued, Subscribed and Paid Up Share Capital	
18,192,844 Equity Shares of INR 10/- each	18,19,28,440
<b>Total</b>	<b>18,19,28,440</b>

Subsequent to March 31, 2018 there is no change in the capital structure of the Transferor Company. Transferor Company is majority owned subsidiary of the Transferee Company as 91.20% issued, subscribed and paid up share capital of the Transferor Company is held by the Transferee Company as on the date.

## 2.2. Transferee Company:

The Authorised, Issued, Subscribed and Paid-up share capital of the Transferee Company as on March 31, 2018 was as under:

Particulars	Amount (INR)
<b>Authorised Share Capital</b>	
49,20,000 Equity Shares of INR. 10/- each	4,92,00,000
80,000 unclassified shares of INR. 10/- each	8,00,000
<b>Total</b>	<b>5,00,00,000</b>
Issued, Subscribed and Paid Up Share Capital	
22,93,198 Equity Shares of INR. 10/- each	2,29,32,000
<b>Total</b>	<b>2,29,32,000</b>

Subsequent to March 31, 2018, there was a change in the capital structure of the Transferee Company pursuant to the meeting of the Board of Directors of the Transferee Company, held on June 18, 2018, recommending and approving (a) Split/sub-division of shares from face value of INR.10/- each to face value of INR.5/- each; (b) Post split, bonus shares of 1:1. The Shareholders of the Transferee Company vide their approval by way of postal ballot including e-voting dated July 25, 2018, have approved the revised capital structure of the Transferee Company.

The Authorised, Issued, Subscribed and Paid-up share capital of the Transferee Company as on July 31, 2018 was as under:

Particulars	Amount (INR)
<b>Authorised Share Capital</b>	
98,40,000 Equity Shares of INR. 5/- each	4,92,00,000
1,60,000 unclassified shares of INR. 5/- each	8,00,000
<b>Total</b>	<b>5,00,00,000</b>
Issued, Subscribed and Paid Up Share Capital	
91,72,792 Equity Shares of INR. 5/- each	4,58,63,960
<b>Total</b>	<b>4,58,63,960</b>

The equity shares of Transferee Company are, at present, listed on the BSE Limited.

## 3. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modifications approved or imposed or directed by NCLT shall be effective from the Appointed Date but shall be operative from the Effective Date.

## PART II

### TRANSFER AND VESTING OF UNDERTAKING

## 4. TRANSFER OF UNDERTAKING

4.1. Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Undertaking, pursuant to the sanction of this Scheme by NCLT under and in accordance with the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, shall stand transferred to and be vested in or be deemed to have been transferred to and vested in the Transferee Company, as a going concern without any further act, instrument, deed, matter or thing to be made, done or executed so as to become, as and from the Appointed Date, the Undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme.

**4.2.** Subject to the provisions of this Scheme as specified hereinafter and with effect from the Appointed Date, the entire Undertaking of the Transferor Company, including all the debts, liabilities, losses, duties and obligations, including those arising on account of taxation laws and other allied laws of the Transferor Company of every description and also including, without limitation, all the movable and immovable properties and assets, Tangible or Intangible assets (whether or not recorded in the books of account of the Transferor Company) of the Transferor Company comprising, amongst others, all freehold land including a freehold land at Kullu, Himachal Pradesh, all leasehold land including a leasehold land at Dahej, Gujarat, buildings, plants and machineries, motor vehicles, manufacturing facilities, laboratories, furniture and fixtures, computers, computer software and its licenses, office equipments, electrical installations, generators, containers, telephones, telex, facsimile and other communication facilities, receivables, actionable claims, insurance claims, business licenses, licenses under Factories Act, manufacturing licenses, permits, deposits, authorisations, approvals (including under MEIS), recognitions including Star Export House, Certificate of Suitability for cholecalciferol, WHO-GMP (World Health Organisation – Goods Manufacturing Practices), ISO 9001:2008, ISO 14001:2004, FAMI-QS (Feed Additive and Premixture Quality System), BS OHSAS 18001:2007 (Occupational Health and Safety Assessment Series), HACCP (Hazard Analysis and Critical Control Points), Halal, Kosher, Vegetarian Society Certificate, United Kingdom, American Vegetarian Association Certificate, US FDA EIR (Establishment Inspection Report), Certificate of Suitability ((European Pharmacopoeia)) for cholecalciferol, NSF Certification, Written Confirmation Both manufacturing facilities are registered with the FFRM (Food Facility Registration Module), which operates under the aegis of the USFDA, BRC Certificate (British Retail Consortium), FSSC 22000 Certificate (Food Safety System Certification), Medsafe New Zealand Certification and any other certificates relating to the product, factory facilities and registrations granted by the Department of Scientific & Industrial Research to the in-house research and development units established, insurance cover of every description, lease, tenancy rights, permissions, incentives, if any, and all other rights, patents, know-how, trademark, service mark, trade secret, brands, registrations, licenses including Export Oriented Unit licences/advance licences, Special Economic Zones registrations, marketing authorisations and other intellectual property rights, proprietary rights, title, interest, contracts, no objection certificates, deeds, bonds, consents, approvals and rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages and benefits, approvals, filings, dossiers, copyrights, industrial designs, trade secrets, know-how, ongoing research projects, data, formulations, technology, methodology, manufacturing procedures and techniques, test procedures, brand names, trade names and domain names, and all other interests in connection with or relating to and product registrations, applications and authorisations for product registrations and all other interests exclusively relating to the SGST, CGST and IGST, Good Manufacturing Practice Certificates, Abbreviated New Drug Applications approved by the U.S. Food and Drug Administration and others including Certificate of Suitability for cholecalciferol, WHO-GMP, ISO 9001:2008, ISO 14001:2004, FAMI-QS, BS OHSAS 18001:2007, HACCP, Halal, Kosher, Vegetarian Society Certificate, United Kingdom, American Vegetarian Association Certificate, US FDA EIR, Certificate of Suitability (CEP) for cholecalciferol, NSF Certification, Both manufacturing facilities are registered with the FFRM (Food Facility Registration Module), which operates under the aegis of the USFDA, BRC Certificate, FSSC 22000 Certificate, Medsafe New Zealand Certification shall, under the provisions of Sections 230 to 232 of the Act, and pursuant to the order of the NCLT, sanctioning this Scheme and without further act, instrument or deed, but subject to the charges affecting the same as on the Effective Date, be transferred and/or deemed to be transferred to and vested in the Transferee Company, so as to become the properties, assets, rights, business, certificates and Undertaking of the Transferee Company.

**4.3. Transfer of Assets:**

**4.3.1.** Without prejudice to the generality of Clause 4.1 and 4.2 above, upon the coming into effect of this Scheme and with effect from the Appointed Date:

**4.3.1.1.** All the assets and properties comprised in the Undertaking of whatsoever nature and wheresoever situated, shall, under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act or deed, be and stand transferred to and vested in the Transferee Company or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become the assets and properties of the Transferee Company. The Transferor Company shall transfer without any further act or deed immoveable properties in the state of Himachal Pradesh, and it is hereby clarified that in view of clarification no B.E. (10)-154/2009 from the Department of Revenue, Government of Himachal Pradesh, that there shall be no stamp duty payable on such transfer.

- 4.3.1.2.** Without prejudice to the provisions of Clause 4.3.1.1. above, in respect of such of the assets and properties of the Undertaking as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and/or delivery, the same shall be so transferred by the Transferor Company and shall, upon such transfer, become the assets and properties of the Transferee Company as an integral part of the Undertaking, without requiring any separate deed or instrument or conveyance for the same.
- 4.3.1.3.** In respect of movables other than those dealt with in Clause 4.3.1.2 above including sundry debts, receivables, insurance claims, bills, credits, loans and advances of the Undertaking, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any Governmental Authority or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Transferee Company.
- 4.3.1.4.** All interests of the Transferor Company in their respective subsidiaries as on the Appointed Date will become the interests and subsidiaries of the Transferee Company.
- 4.3.1.5.** All the licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether before or after the Appointed Date, shall, under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become as and from the Appointed Date licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.
- 4.3.2.** The Transferor Company shall, if so required, also give notice in such form as it may deem fit and proper to the debtors/vendors, that pursuant to the sanction of this Scheme by NCLT, under and in accordance with Sections 230 and 232 and all other applicable provisions, if any, of the Act, the said debtors/vendors should pay to the Transferee Company the debt, loan or advance or make the same on account of the Transferor Company and the right of the Transferor Company to recover or realize the same stands extinguished.
- 4.3.3.** All assets and properties of the Transferor Company as on the Appointed Date, whether or not included in the books of the Transferor Company, and all assets and properties which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of the Transferee Company, and shall under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme.

Provided however that no onerous assets shall have been acquired by the Transferor Company after the Appointed Date without the consent of the Transferee Company as provided for in this Scheme.

#### **4.4. Transfer of Liabilities:**

- 4.4.1.** Upon the coming into effect of this Scheme and with effect from the Appointed Date, all liabilities relating to and comprised in the Undertaking including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations and undertakings of the Transferor Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations (herein referred to as the “**Liabilities**”), shall, pursuant to the sanction of this Scheme by the NCLT under and in accordance with the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, along with any charge, encumbrance, lien or security thereon, and the same shall be assumed by the

Transferee Company to the extent they are outstanding as on the Effective Date so as to become as and from the Appointed Date the liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same and, further, it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such Liabilities have arisen in order to give effect to the provisions of this Clause.

- 4.4.2. All debts, liabilities, duties and obligations of the Undertaking as on the Appointed Date, whether or not provided in the books of the Transferor Company, and all debts and loans raised, and duties, liabilities and obligations incurred or which arise or accrue to the Undertaking on or after the Appointed Date till the Effective Date, shall be deemed to be and shall become the debts, loans raised, duties, liabilities and obligations incurred by the Transferee Company by virtue of this Scheme.
- 4.4.3. Where any such debts, loans raised, liabilities, duties and obligations of the Undertaking as on the Appointed Date have been discharged or satisfied by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge or satisfaction shall be deemed to be for and on account of the Transferee Company.
- 4.4.4. Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Undertaking and the Transferee Company shall, *ipso facto*, stand discharged and come to an end and there shall be no liability in that behalf on any party and appropriate effect shall be given in the books of accounts and records of the Transferee Company.

#### 4.5. Encumbrances

- 4.5.1. The transfer and vesting of the assets comprised in the Undertaking to and in the Transferee Company under Clauses 4.1, 4.2 and 4.3 of this Scheme shall be subject to the mortgages and charges, if any, affecting the same, as and to the extent hereinafter provided.
- 4.5.2. All the existing securities, mortgages, charges, encumbrances or liens (the “**Encumbrances**”), if any, as on the Appointed Date and created by the Transferor Company after the Appointed Date, over the assets comprised in the Undertaking or any part thereof transferred to the Transferee Company by virtue of this Scheme and in so far as such Encumbrances secure or relate to liabilities of the Transferor Company, the same shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Transferee Company, and such Encumbrances shall not relate or attach to any of the other assets of the Transferee Company, provided however that no Encumbrances shall have been created by the Transferor Company over its assets after the Appointed Date without the consent of the Transferee Company as provided for in this Scheme.
- 4.5.3. The existing Encumbrances over the assets and properties of the Transferee Company or any part thereof which relate to the liabilities and obligations of the Transferee Company prior to the Effective Date shall continue to relate only to such assets and properties and shall not extend or attach to any of the assets and properties of the Undertaking transferred to and vested in the Transferee Company by virtue of this Scheme.
- 4.5.4. Any reference in any security documents or arrangements (to which the Transferor Company is a party) to the Transferor Company and its assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Company transferred to the Transferee Company by virtue of this Scheme. Without prejudice to the foregoing provisions, the Transferor Company and the Transferee Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge(s), with the Registrar of Companies to give formal effect to the above provisions, if required.
- 4.5.5. Upon the coming into effect of this Scheme, the Transferee Company alone shall be liable to perform all obligations in respect of the Liabilities, which have been transferred to it in terms of the Scheme.
- 4.5.6. It is expressly provided that, no other term or condition of the Liabilities transferred to the Transferee Company is modified by virtue of this Scheme except to the extent that such amendment is required statutorily or by necessary implication.

**4.5.7.** The provisions of this Clause 4.5 shall operate in accordance with the terms of the Scheme, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall be deemed to stand modified and/or superseded by the foregoing provisions.

**4.6. Inter - se Transactions:**

Without prejudice to the provisions of Clauses 4.1 to 4.5, with effect from the Appointed Date, all inter-se transactions between the Transferor Company and the Transferee Company shall be considered as intra-se transactions for all purposes. Further, it is clarified that any taxes in the form of income-tax, goods and service tax, service tax, works contract tax, value added tax etc paid on account of such transactions, shall be deemed to have been paid by or on behalf of the Transferee Company and on its own account and therefore, the Transferee Company will be eligible to claim the credit / refund of the same and is also entitled to revise its return to give effect to the same.

**5. CONTRACTS, DEEDS, ETC.**

**5.1.** Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements, assurances and other instruments of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect by, for or against or in favour of, as the case may be, the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee or obligor thereto or thereunder.

**5.2.** Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company from the Appointed Date and up to the Effective Date and, thereafter, for such period as may be decided by the Board of the Transferee Company to give effect to the Scheme.

**5.3.** For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Company shall without any further act or deed, stand transferred to the Transferee Company, as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company. The Transferee Company shall receive relevant approvals from the concerned Governmental Authorities as may be necessary in this behalf.

**6. LEGAL PROCEEDINGS**

On and from the Appointed Date, all suits, actions, claims and legal proceedings by or against the Transferor Company pending and/or arising on or before the Effective Date shall be continued and / or enforced as desired by the Transferee Company and on and from the Effective Date, shall be continued and/or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been originally instituted and/or pending and/or arising by or against the Transferee Company. On and from the Effective Date, the Transferee Company shall have the right to initiate, defend, compromise or otherwise deal with any legal proceedings relating to the Undertaking, in the same manner and to the same extent as would or might have been initiated by the Transferor Company as the case may be, had the Scheme not been made; If any suit, appeal or other proceedings relating to the Undertaking, of whatever nature by or against the Transferor Company be pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the amalgamation of the Undertaking or by anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made.

## **7. CONDUCT OF BUSINESS**

- 7.1.** With effect from the Appointed Date and up to and including the Effective Date:
- 7.1.1.** The Transferor Company shall carry on and shall be deemed to have carried on all its business and activities as hitherto and shall hold and stand possessed of and shall be deemed to have held and stood possessed of the Undertaking on account of, and for the benefit of and in trust for, the Transferee Company.
  - 7.1.2.** All the profits or income accruing or arising to the Transferor Company, and all expenditure or losses arising or incurred (including all taxes, if any, paid or accruing in respect of any profits and income) by the Transferor Company shall, for all purposes, be treated and be deemed to be and accrue as the profits or income or as the case may be, expenditure or losses (including taxes) of the Transferee Company.
  - 7.1.3.** Any of the rights, powers, authorities and privileges attached or related or pertaining to and exercised by or available to the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of and as agent for the Transferee Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Undertaking that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken or discharged for and on behalf of and as agent for the Transferee Company.
- 7.2.** With effect from the date of approval of this Scheme by the Board of the respective companies and up to and including the Effective Date:
- 7.2.1.** The Transferor Company shall preserve and carry on their business and activities with reasonable diligence and business prudence and shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts nor incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments either for itself or on behalf of its group Company or any third party or sell, transfer, alienate, charge, mortgage or encumber or deal with the Undertaking or any part thereof save and except in each case in the following circumstances:
    - 7.2.1.1.** if the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with NCLT; or
    - 7.2.1.2.** if the same is permitted by this Scheme; or
    - 7.2.1.3.** if consent of the Board of Directors of the Transferee Company has been obtained.
  - 7.2.2.** The Transferor Company shall not take, enter into, perform or undertake, as applicable (i) any material decision in relation to its business and operations other than decisions already taken prior to approval of the Scheme by the Board of Directors of the Transferor Company (ii) any agreement or transaction; and (iii) any new business, or discontinue any existing business or change the capacity of facilities; (iv) such other matters as the Transferee Company may notify from time to time save and except in each case in the following circumstances:
    - 7.2.2.1.** if the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with NCLT; or
    - 7.2.2.2.** if the same is permitted by this Scheme; or
    - 7.2.2.3.** if consent of the Board of Directors of the Transferee Company has been obtained.

## **8. STAFF WORKMEN AND EMPLOYEES**

Upon the coming into effect of this Scheme:

- 8.1.** All the permanent employees of the Transferor Company who are in its employment as on the Effective Date shall become the permanent employees of the Transferee Company with effect from the Effective Date without any break or interruption in service and on terms and conditions as to employment and remuneration not less favourable than those on which they are engaged or employed by the Transferor Company. It is clarified that the employees of the Transferor Company who become employees of the Transferee Company by virtue of this Scheme, shall not be entitled to the employment policies and shall not be entitled to avail of any schemes and benefits that may be applicable and available to any of the employees of the Transferee Company (including the benefits of or under any employee stock option schemes applicable to or covering all or any of

the employees of the Transferee Company), unless otherwise determined by the Board of Directors of the Transferee Company. The Transferee Company undertakes to continue to abide by any agreement/settlement, if any, validly entered into by the Transferor Company with any union/employee of the Transferor Company (as may be recognized by the Transferor Company).

- 8.2.** The existing provident fund, gratuity fund and pension and/or superannuation fund or trusts or retirement funds or benefits created by the Transferor Company or any other special funds created or existing for the benefit of the concerned permanent employees of the Transferor Company (collectively referred to as the "Funds") and the investments made out of such Funds shall, at an appropriate stage, be transferred to the Transferee Company to be held for the benefit of the concerned employees. The Funds shall, subject to the necessary approvals and permission and at the discretion of the Transferee Company, either be continued as separate funds of the Transferee Company for the benefit of the employees of the Transferor Company or be transferred to and merged with other similar funds of the Transferee Company. In the event that the Transferee Company does not have its own fund with respect to any such Funds, the Transferee Company may, subject to necessary approvals and permissions, continue to maintain the existing Funds separately and contribute thereto, until such time as the Transferee Company creates its own funds at which time the Funds and the investments and contributions pertaining to the employees of the Transferor Company shall be transferred to such funds of the Transferee Company.

### **PART III**

#### **9. INCREASE IN AUTHORIZED SHARE CAPITAL OF TRANSFEREE COMPANY**

- 9.1.** Upon the Scheme coming into effect, the authorised share capital of the Transferor Company (i.e. INR 20,00,00,000/- (Rupees Twenty Crores) shall be added to that of the Transferee Company and in the Memorandum of Association and Articles of Association, it shall be automatically stand enhanced without any further act, instrument or deed on the part of the Transferee Company, including payment of stamp duty and fees payable to Registrar of Companies and the Memorandum of Association and Articles of Association of the Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under sections 13, 14, 61, 64 of the Companies Act, 2013 or any other applicable provisions of the Companies Act 2013, would be required to be separately passed. For this purpose, the filing fees and stamp duty already paid by the Transferor Company on the authorised share capital shall be utilized and applied to the increased share capital of the Transferee Company and shall be deemed to have been so paid by the Transferee Company on such combined authorised share capital and accordingly, the Transferee Company shall not be required to pay any fees / stamp duty on the authorised share capital so increased.
- 9.2.** The capital clause being Clause V of the Memorandum of Association of the Transferee Company shall on the Effective Date stand substituted to read as follows: *"The Authorised Share Capital of the Company is INR 25,00,00,000 (Rupees Twenty Five Crores) divided into 4,98,40,000 equity shares of INR. 5/- each, and 1,60,000 Unclassified shares of INR. 5/- each with such rights, privileges and conditions as to security, redemption, conversion into equity shares, rate of dividend, right of accumulation of dividend etc., attaching thereto as are provided by the Articles of Association of the Company. The Company shall have power to increase or reduce, consolidate or sub-divide the Share Capital of the Company for the time being and from time to time divide the shares of the new Capital into several classes and denomination and to issue any shares of the original or further Share Capital of the Company for the time being with such preferential, qualified or special rights, privileges or conditions attached thereto respectively including rights to dividend in distribution of assets of the Company from time to time in accordance with the Articles of Association of the Company and subject to the provisions of the Companies Act, 2013, for the time being in force."*

#### **10. CHANGE OF NAME OF THE TRANSFEREE COMPANY**

With effect from the Effective Date, the name of the Transferee Company shall be Fermenta Biotech Limited or changed to such other name as may be approved by the Registrar of Companies. The change in the name of the Transferee Company shall be effected without any further act or deed and as an integral part of the Scheme itself and the order of the NCLT sanctioning this Scheme shall be deemed to be an order under provisions of the Act, confirming the change of name of the Transferee Company and dissolution of the Transferor Company without winding-up as provided under the Clause 18 herein below.



## **11. AMENDMENT TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF TRANSFEREE COMPANY**

**11.1.** Upon coming into effect of the Scheme, the following Clause No. I shall be inserted in the Name Clause of the Memorandum of Association of the Transferee Company:

Clause I of the Memorandum of Association: "The name of the Company is Fermenta Biotech Limited".

**11.2.** It shall be deemed that the members of Transferee Company have also resolved and accorded all relevant consents as required under the Act.

## **12. ISSUE OF SHARES BY THE TRANSFEREE COMPANY:**

**12.1.** Upon the coming into effect of this Scheme and its consideration thereof, the Transferee Company shall without any further application, act or deed, issue and allot ('Share Exchange Ratio') as follows:

"100 (Hundred) equity shares of INR. 5/- (Rupees Five only) each credited as fully paid-up of the Transferee Company for every 251 (Two Fifty One) equity shares of INR. 10/- (Rupees Ten only) held in the Transferor Company and whose names are recorded in the register of members on the Record Date."

**12.2.** If necessary the Transferee Company shall before allotment of the equity shares in term of the Scheme, increase its authorised share capital by such amount as it stands to the credit of the Transferor Company by creation of at least such number of equity shares as may be necessary to satisfy its obligation under the provisions of the Scheme in compliance with the applicable provision of the Act by paying the requisite fee with the statutory authority.

**12.3.** The equity shares so allotted by the Transferee Company to the shareholders of the Transferor Company will in all respect rank *pari passu* with the existing equity shares of the Transferee Company for dividend and voting rights, save and except that the holders of such equity shares shall not be entitled to dividend declared by the Transferee Company before the Effective Date.

**12.4.** Upon the coming into effect of the Scheme, the shareholders of the Transferor Company shall surrender their share certificates for cancellation thereof to the Transferee Company. Notwithstanding anything to the contrary, upon the new shares in the Transferee Company being issued and allotted by it to the equity shareholders of the Transferor Company whose names shall appear on the registers of members of the Transferor Company on the Record Date, the share certificates in relation to the shares held by them in the Transferor Company shall be deemed to have been cancelled and shall be of no effect from such issue and allotment.

**12.5.** For the purpose of this clause (a) no fractional certificates shall be issued by the Transferee Company in respect of the fractional entitlements, if any, and all such fractional entitlements shall be allotted to any of the director or officer of the Transferee Company as a trustee(s) for sale at the prevailing market price and the entire net proceeds subject to taxes shall be distributed to the persons entitled thereto in proportion to their respective fractional entitlements and (b) joint shareholders shall be treated as a single shareholder.

The new equity shares of the Transferee Company issued in terms of Clause 12.1 of this Scheme will be listed and/or admitted to trading on the Stock Exchange where the shares of the Transferee Company are listed and/or admitted to trading. The Transferee Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said Stock Exchange.

**12.6.** The issue and allotment of the equity shares as provided under this Scheme, is an integral part and therefore, shall be deemed to have been carried out without requiring any further act on the part of the Transferee Company or its shareholders and as if the procedure laid down under section 62 of the Act any other applicable provisions of the Act, as may be applicable, and such other statues and regulations as may be applicable were duly complied with except for making necessary filings under the Act to effectuate such issuance.

## **13. CANCELLATION OF SHARES:**

Upon the Scheme being effective, and in consideration of the transfer of and vesting of the Undertaking of the Transferor Company in the Transferee Company in terms of the Scheme, all the equity shares issued by the Transferor Company and held by the Transferee Company i.e. 91.20 % of the total equity shares of the Transferor Company, shall stand cancelled and extinguished and in lieu thereof, no allotment of any shares in the Transferee Company shall be made against those 91.20% of the total equity shares of the Transferor Company.

#### 14. ESOPs:

- 14.1. Upon the effectiveness of the Scheme, the Transferee Company shall issue stock options (“**Transferee Options**”) to employees of the Transferor Company holding the Transferor Options, if any, which shall entitle the Eligible Employees to purchase equity shares of the Transferee Company. The number of Transferee Options issued shall equal to the number of the Transferor Options (unvested) outstanding at the time of the effectiveness of the Scheme multiplied by the Share Exchange Ratio, with any fractional shares rounded down to the next higher whole number of shares. The terms and conditions applicable to the Transferee Options shall be no less favourable than those provided under the ESOP scheme. Such Transferee Options will be issued under a new employee stock option scheme created by the Transferee Company inter alia for the purpose of granting stock options to the Eligible Employees pursuant to the Scheme (“**Transferee ESOP Scheme**”).
- 14.2. Each Transferee Options shall have an exercise price per equity share of the Transferee Company equal to the quotient of the Transferor Options exercise price per equity share of the Transferor Company divided by the Share Exchange Ratio (rounded up to the nearest higher whole cent).
- 14.3. The grant of stock options to the Eligible Employees pursuant to the provisions of this Scheme, including this Clause 14, shall be effected as an integral part of the Scheme and the consent of the shareholders of the Transferor Company and the Transferee Company to the Scheme shall be deemed to be their consent in relation to all matters pertaining to the ESOP.
- 14.4. Schemes and the Transferee ESOP Scheme, including without limitation, for the purposes of creating the Transferee ESOP Scheme, modifying the ESOP Scheme and/or the Transferee ESOP Scheme, modifying the exercise price of the stock options under the ESOP Scheme and all related matters. No further approval of the shareholders of the Transferor Company or the Transferee Company would be required in this connection under any applicable law.
- 14.5. In relation to the Transferee Options granted by the Transferee Company to the Eligible Employees pursuant to this Scheme, in lieu of the Transferor Options granted to them under the ESOP Scheme, the period during which the stock options of the Transferor Company were held by or deemed to have been held by the Eligible Employees shall be taken into account for determining the minimum vesting period required under applicable law, the ESOP Scheme and the Transferee ESOP Scheme.
- 14.6. Subject to applicable laws, the adjustments to the exercise price per option and option entitlement of the Eligible Employees proposed under this Clause 14 shall be appropriately reflected in the financial statements of the Transferee Company.
- 14.7. The Boards of Directors of the Transferor Company and the Transferee Company shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this Section 14 of this Scheme in the best interests of the employees of the Transferor Company.

#### PART IV

#### ACCOUNTING TREATMENT

#### 15. ACCOUNTING TREATMENT IN THE BOOKS OF ACCOUNT OF TRANSFEE COMPANY

The Transferee Company shall account for amalgamation in accordance with Indian Accounting Standard (“IND AS”) 103 – “Business Combinations” prescribed under Section 133 of the Act and other generally accepted accounting principles in India.

The Transferee Company shall account for the transfer and vesting of the Assets and Liabilities of the Undertaking in its books of accounts as per the “Pooling of Interest” method prescribed under Appendix C to Indian Accounting Standard - 103 - “Business Combinations” prescribed under Section 133 of the Act read with the relevant rules issued thereunder and other generally accepted accounting principles in India as under:

- The Transferee Company shall, record all the assets and liabilities of the Undertaking vested in it pursuant to this Scheme at the respective carrying amounts. The financial information in the financial statements of the Transferee Company, to be prepared after the amalgamation, in respect of prior periods will be restated to include the financial information of the Transferor Company as if the business combination had occurred from the beginning of the preceding period in the financial statements.
- The identity of the reserves standing in the books of account of the Transferor Company shall be preserved and they shall appear in the financial statements of the Transferee Company in the same form, as they

appeared in the financial statements of the Transferor Company. As a result of preserving the identity, reserves which are available for distribution as dividend before the amalgamation would also be available for distribution as dividend after amalgamation.

- The balance of the retained earnings in the books of account of the Transferor Company shall be aggregated with the corresponding balance of retained earnings of the Transferee Company.
- As stated in Clause 13 above, no new shares will be issued or allotted by the Transferee Company, pursuant to this scheme, to the extent of paid up equity share of the Transferor Company held by the Transferee Company, and the investments in the shares of the Transferor Company appearing, inter alia, in the books of account of the Transferee Company shall stand cancelled. Further, the equity shares to be issued or allotted pursuant to Clause 12 above as a Consideration to the other shareholders of the Transferor Company shall be recognised in the books of account of the Transferee Company at nominal value. The difference between the amount share capital issued to other shareholders plus any additional consideration and the amount of share capital of the Transferor Company shall be transferred to the capital reserve in the books of account of the Transferee Company and such capital reserve shall be presented separately from other capital reserves
- The inter-company deposits, loans & advances and other balances if any, in the books of the account of the Transferee Company and the Transferor Company shall stand discharged and come to an end and the same shall be eliminated by giving appropriate elimination effect in the books of account and records of the Transferee Company.
- In case there is any difference in the accounting policies adopted by the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company will prevail and the difference will be quantified and adjusted in the Other Equity to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.
- In addition, the Transferee Company shall pass such accounting entries, as may be necessary, in connection with this Scheme to comply with any of the applicable Indian Accounting Standards and other generally accepted accounting principles in India.

## **16. TAX BENEFITS AND OBLIGATIONS**

- 16.1.** The amalgamation of the Transferor Company with the Transferee Company in terms of this Scheme shall take place with effect from the Appointed Date and shall be in accordance with the provisions of Sections 2(1B), 47, 72A and 79 and any other application provisions of the IT Act.
- 16.2.** Upon the Scheme becoming effective, all Taxes payable by, or refundable to, the Transferor Company, including any refunds, claims or credits (including credits for income Tax, withholding Tax, advance Tax, self-assessment Tax, minimum alternate Tax, CENVAT credit, goods and services Tax credits, other indirect Tax credits and other Tax receivables) shall be treated as the Tax liability, refunds, claims, or credits, as the case may be, of the Transferee Company, and any Tax incentives, benefits (including claims for unabsorbed Tax losses and unabsorbed Tax depreciation), advantages, privileges, exemptions, credits, Tax holidays, remissions or reductions, which would have been available to the Transferor Company, shall be available to the Transferee Company, and following the Effective Date, the Transferee Company shall be entitled to initiate, raise, add or modify any claims in relation to such Taxes on behalf of the Transferor Company.
- 16.3.** The provisions of this Scheme as they relate to the amalgamation of the Transferor Company into and with the Transferee Company have been drawn up to comply with the conditions relating to “amalgamation” as defined under Section 2(1B) of the IT Act. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section of the IT Act, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the IT Act, shall prevail and the provisions of this Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the IT Act. Such modification will, however, not affect the other parts of the Scheme.
- 16.4.** Any tax liabilities under the IT Act, Wealth Tax Act, 1957, Customs Act, 1962, Goods and Services Tax Act, 2017, any other Tax laws, service tax, luxury tax, entry tax in Himachal Pradesh stamp laws or other applicable laws/regulations (hereinafter in this Clause referred to as “**Tax Laws**”) dealing with taxes/ duties/ levies allocable or related to the business of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to Transferee Company.
- 16.5.** All taxes (including income tax, wealth tax, sales tax, customs duty, SGST, CGST and IGST, entry tax in Himachal

Pradesh, luxury tax etc.) paid or payable by the Transferor Company in respect of the operations and/or the profits of the business on and from the Appointed Date, shall be on account of the Transferee Company and, insofar as it relates to the tax payment (including without limitation income tax, wealth tax, sales tax, customs duty, SGST, CGST and IGST, entry tax in Himachal Pradesh, luxury tax etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the business on and from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and shall, in all proceedings, be dealt with accordingly.

- 16.6. Any refund under the Tax Laws due to the Transferor Company consequent to the assessments made on Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.
- 16.7. Without prejudice to the generality of the above, all benefits including under the income tax (including benefits available to SEZ units u/s 10AA of the IT Act, MAT credit and TDS credit), sales tax, excise duty, entry tax law in Himachal Pradesh, customs duty, service tax, luxury tax, VAT, SGST, CGST and IGST, etc., to which the Transferor Company is entitled to in terms of the applicable Tax Laws of the Union and State Governments, shall be available to and vest in the Transferee Company.

## **17. DECLARATION OF DIVIDEND**

- 17.1. During the period between the Appointed Date and up to and including the Effective Date, the Transferor Company shall not declare any dividend without the prior written consent of the Board of Directors of the Transferee Company.
- 17.2. The Transferor Company and Transferee Company shall be entitled to declare and pay dividends only out of distributable profits or any other manner as permitted under the Act, earned by respective companies during the relevant financial year and shall not transfer any amount from the reserves for the purposes of payment of dividend. The dividend shall be declared by the companies only by mutual agreement between the Board of Directors of both the Companies.
- 17.3. The holders of shares of the Transferor Company and the Transferee Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective article of association including the right to receive dividends from the respective companies, of which they are members till the date, this Scheme finally takes effect i.e. the Effective Date.
- 17.4. It is clarified, however that the aforesaid provisions in respect of declarations of dividend are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Company or Transferee Company to demand or claim or be entitled to any dividend which subject to the provisions of the said Act, shall be entirely on the discretion of the Board of Directors and the approval of the shareholders of the respective companies.

## **18. POWER TO GIVE EFFECT TO THIS PART**

- 18.1. The Transferee Company shall enter into and/ or issue and/ or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required. Further, the Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.
- 18.2. Upon coming into effect of the Scheme, the Transferee Company and/or the Transferor Company shall, with reasonable dispatch / time lines apply for transition of all licenses and statutory registrations of the Transferee Company including but not limited to product registrations (including applications and authorizations for product registrations), manufacturing licenses, insurance policies, product permissions, certificates, market authorizations, filings, dossiers (including experience and prequalification submissions), industrial licences, municipal permissions, approvals, consent, permits, quotas, registration with Food and Drug Administrations of various states, incentives, subsidies and recognitions. The period between the Effective Date and the last date on which the transfer of all such aforementioned licenses and statutory registrations have occurred is hereinafter referred to as "Transitory Period". During the Transition Period the Transferee Company, may procure or use or manufacture or sale, all materials and products under the respective country registrations including the packing material, art work, label goods, cartons, stickers, wrappers, labels, containers, point of sale material, sign board, samples, closures, publicity materials in the name and form/format of the Transferor Company under any license and/or statutory registration, if any, while conducting the business of the

Undertaking, with a view to avoid any disruption of business, to ensure continuity of operations and uninterrupted supply of the registered products for export purposes.

- 18.3.** Even after the Scheme becomes operative, the Transferee Company shall be entitled to operate all Bank Accounts and use all bank guarantees and letter of credit of the Transferor Company, relating to the Undertaking and release all monies and complete and enforce all subsisting contracts and transactions in respect of the Transferor Company in the name of Transferor Company in so far as may be necessary, till the transfer of rights and obligations of the Transferor Company to the Transferee Company until this Scheme is formally accepted by the all the parties concerned.

## **PART V**

### **DISSOLUTION OF TRANSFEROR COMPANY**

#### **AND**

### **GENERAL TERMS AND CONDITIONS**

#### **19. DISSOLUTION OF TRANSFEROR COMPANY**

On the coming into effect of this Scheme, the Transferor Company shall stand dissolved without winding-up, and the Board of Directors and any committees thereof of the Transferor Company shall without any further act, instrument or deed be and stand dissolved.

#### **20. VALIDITY OF EXISTING RESOLUTIONS, ETC.**

Upon the coming into effect of this Scheme the resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

#### **21. MODIFICATION OF SCHEME**

**21.1.** Subject to approval of NCLT, the Transferor Company and the Transferee Company by their respective Board of Directors or any director/executives or any committee authorised in that behalf (hereinafter referred to as the “**Delegate**”) may assent to, or make, from time to time, any modification(s) or addition(s) to this Scheme which NCLT or any authorities under law may deem fit to approve of or may impose and which the Board of Directors of the Transferor Company and the Transferee Company may in their discretion accept, or such modification(s) or addition(s) as the Board of Directors of the Transferor Company and the Transferee Company or as the case may be, their respective Delegate may deem fit, or required for the purpose of resolving any doubts or difficulties that may arise in carrying out this Scheme.

**21.2.** The Transferor Company and the Transferee Company by their respective Boards of Directors or Delegates are authorised to do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect, or review the position relating to the satisfaction of the conditions of this Scheme and if necessary, waive any of such conditions (to the extent permissible under law) for bringing this Scheme into effect, and/or give such consents as may be required in terms of this Scheme. In the event that any conditions are imposed by NCLT or any Governmental Authorities, which the Board of Directors of the Transferor Company or the Transferee Company find unacceptable for any reason, then the Transferor Company and the Transferee Company shall be at liberty to withdraw the Scheme.

**21.3.** For the purpose of giving effect to this Scheme or to any modification(s) thereof or addition(s) thereto, the Delegates (acting jointly) of the Transferor Company and Transferee Company may give and are authorised to determine and give all such directions as are necessary for settling or removing any question of doubt or difficulty that may arise under this Scheme or in regard to the meaning or interpretation of any provision of this Scheme or implementation thereof or in any matter whatsoever connected therewith (including any question or difficulty arising in connection with any deceased or insolvent shareholders or depositors, if any of the Transferor Company) or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any such conditions (to the extent permissible in law) and such determination or directions or waiver, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme. For the avoidance of doubt, it is clarified that where this Scheme requires the approval of the Board of Directors of the Transferor Company or the Transferee Company to be obtained for any matter, the same may be given through their Delegates.

## **22. FILING OF APPLICATIONS**

The Transferor Company and the Transferee Company shall use their best efforts to make and file all applications and petitions under Sections 230 to 232 and other applicable provisions of the Act, before the respective NCLT having jurisdiction for sanction of this Scheme under the provisions of law and shall apply for such approvals as may be required under law.

## **23. APPROVALS**

The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority, if required, under any law for such consents and approvals which the Transferee Company may require to own the Undertaking and to carry on the business of the Transferor Company.

## **24. SCHEME CONDITIONAL UPON SANCTIONS, ETC.**

This Scheme is conditional upon and subject to:

- 24.1.** The Scheme being approved by the requisite majority of the respective classes of shareholders and/or creditors, as applicable, of the Transferor Company and of the Transferee Company as required under the Act, as applicable, and the requisite order of the NCLT being obtained, or dispensation having been received from the NCLT in relation to obtaining such consent from the shareholders and/or creditors, as applicable;
- 24.2.** The Stock Exchange issuing their observation /no-objection letters and SEBI issuing its comments on the Scheme, as required under applicable laws;
- 24.3.** Such other approvals and sanctions including sanction of any statutory authority, as may be required by law or contract in respect of the Scheme;
- 24.4.** The Scheme being approved by the “public” shareholders of the Transferee Company by way of e-voting in terms of Para (I)(A)(9)(a) of Annexure I of SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017; provided that the same shall be acted upon only if the votes cast by the “public” shareholders in favour of the proposal are more than the number of votes cast by the “public” shareholders against it;
- 24.5.** The NCLT having accorded sanction to the Scheme and if any modifications have been prescribed the same being acceptable to the Transferor Company and the Transferee Company; and
- 24.6.** Such certified / authenticated copy of the order of the NCLT being filed with the Registrar of Companies.

## **25. EFFECT OF NON-RECEIPT OF APPROVALS/SANCTIONS**

- 25.1.** In case the Scheme is not approved by the NCLT or any of the approvals or conditions enumerated in the Scheme have not been obtained or complied with, or for any other reason, if this Scheme cannot be implemented, then the Board of directors of the Transferor Company and the Transferee Company shall mutually waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement, the Scheme shall become null and void and each party shall bear their respective costs, charges and expenses in connection with this Scheme.
- 25.2.** If any part of this Scheme hereof is invalid, held illegal by any court and/or tribunal and/or statutory authority of competent jurisdiction, or unenforceable under any present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in the Scheme, as will best preserve for the parties the benefits and obligations of the Scheme, including but not limited to such part.

## **26. PROCEDURAL FORMALITIES POST SANCTION OF THE SCHEME – BUSINESS CONTINUITY**

- 26.1.** The amalgamated/Transferee Company shall, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds of confirmation or novation or other writings or arrangements with any party to any contract or arrangement in relation to which the amalgamating/Transferor Company has been a party, in order to give formal effect to the above provisions. The amalgamated/ Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized as a constituted attorney to execute any such deeds, writings, documents, receipts and discharges on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to in this Scheme on the part of and for and behalf of the Transferor Company as if the Transferor Company has not been dissolved without being wound-up.

- 26.2.** Upon the Scheme becoming effective, for statistical purposes only and without any separate deed, instrument or writing, the Transferor Company and/or the amalgamated/Transferee Company shall, if required, simultaneously with the amendment in the register of charges and file particulars of the modified charge with the concerned Registrar of Companies. Any documentation subsequently entered into with the term lenders or the working capital lenders of the Transferor Company and the amalgamated/Transferee Company, shall be for the sake of convenience and record only and to reflect the changes in the security pursuant to the Scheme and there shall be no break in the continuity of such charge and the same shall relate back to the date of its creation thereof in the Transferor Company.
- 26.3.** Upon the Scheme becoming effective, all statutory permissions, licenses, approvals, consents, privileges, benefits and benefits of filings and all other incorporeal rights emanating from such licenses (together the "Licenses", for the purpose of this Clause 28.3) relating to the Transferor Company, shall stand transferred to and vested in the amalgamated /Transferee Company without any further act, instrument or deed, as more particularly provided hereinabove. Notwithstanding such transfer /vesting of the Licenses, if any application is required for the statistical record of the statutory authorities to implement the transfer and vesting of the Licenses, as provided hereinabove, the amalgamated /Transferee Company shall facilitate the statutory authorities by filing such applications, which shall be granted /approved in favour of the amalgamated/ Transferee Company based on the sanction order of the Scheme by the NCLT.
- 26.4.** Upon the Scheme becoming effective, the Transferee Company is expressly entitled and authorized under the Scheme by the Transferor Company to revise its direct or indirect tax returns and related withholding certificates and shall be entitled to claim refund, advance tax credits including MAT credit, CENVAT credit, pertaining to the Transferor Company, if any.
- 26.5.** From the Effective Date, all bank accounts of the Transferor Company shall be permitted to be continued with the same balances as of the Effective Date in the name of the amalgamated /Transferee Company and for statistical record the amalgamated/Transferee Company shall be permitted to file names and particulars of the new authorised signatories for withdrawals and/ or deposits/ credits in such bank accounts and the relevant bank accounts shall be reconstituted accordingly.
- 26.6.** The powers and authorization granted to and to be exercised by the amalgamated /Transferee Company in terms of Clauses 28.1 to 28.5 herein are with the aim and intent that the business and operations relating to the Undertaking transferred herein of the Transferor Company even after the Effective Date are transitioned and continue on a "Going Concern Basis" without any interruption or break in continuity.

## **27. SAVING OF CONCLUDED TRANSACTIONS**

Subject to the terms of this Scheme, the transfer and vesting of the Undertaking of the Transferor Company under Clause 4 of this Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company on or before the Appointed Date or concluded after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

## **28. COSTS, CHARGES AND EXPENSES**

All costs, charges and expenses of or payable by each of the Transferor Company and the Transferee Company in relation to or in connection with this Scheme and incidental to the completion of the amalgamation of the Transferor Company and the Transferee Company in pursuance of this on the Order of the NCLT, if any, shall be

- 28.1.** borne and paid by the Transferor Company till the Effective Date; and
- 28.2.** borne and paid by the Transferee Company after the Effective Date.



Date: 21 June 2018

To,

The Board of Directors,  
DIL Limited,  
A-1601, Thane One,  
DIL Complex, Thane (West),  
Mumbai - 400610

The Board of Directors,  
Fermenta Biotech Limited,  
A-1501, Thane One,  
DIL Complex, Thane (West),  
Mumbai - 400610

**Subject: Recommendation of fair share exchange ratio for the proposed amalgamation of Fermenta Biotech Limited ('FBL') with DIL Limited ('DIL').**

Dear Sir/ Madam,

We refer to the engagement letter, wherein the Management of DIL Limited ('DIL') and Fermenta Biotech Limited ('FBL') appointed N S KUMAR & CO. ('NSK') to recommend share exchange ratio for the proposed amalgamation of FBL with DIL. FBL and DIL together hereinafter referred as the 'Companies'.

Please find enclosed the report (comprising 13 pages) detailing our recommendation of share exchange ratio for the proposed amalgamation and the assumptions used in our analysis.

This report sets out our scope of work, background, procedures performed by us, source of information and our opinion on the share exchange ratio.

**SCOPE AND PURPOSE OF THIS REPORT**

DIL Limited ('DIL') is a public company incorporated under the provisions of the Companies Act, 1913. DIL owns a few immovable properties and earns rental income from it; DIL has also made investments in some companies.

Fermenta Biotech Limited ('FBL') is engaged in manufacturing and marketing of chemicals, bulk drugs, enzymes and pharmaceutical formulations.

The Management of DIL and FBL (together referred to as the 'Management') are contemplating the amalgamation of FBL (referred to as 'transferor company') with DIL ('transferee company') ('Transaction') through a Scheme of Amalgamation and Arrangement pursuant to the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013 ('Scheme') and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As per the scheme of amalgamation and arrangement, under the proposed transaction, the equity shareholders of FBL will receive equity shares of DIL.

In connection with the proposed amalgamation, the Management has appointed N S KUMAR & CO. ('NSK') to submit a report recommending a fair share exchange ratio for issue of equity shares of DIL to the shareholders of FBL for the proposed transaction to be placed before the



respective Board of Directors. Further, we understand that DIL would be submitting the report to BSE, SEBI and other Indian regulatory authorities, as required for the Transaction. The proposed appointed date for the amalgamation is 1 April 2018, hence the Management has requested NSK to determine the exchange ratio as at 1 April 2018 ('Valuation Date').

The scope of our service is to conduct a relative valuation exercise as at the Valuation Date to determine the value of the companies using internationally accepted valuation methodologies as may be applicable to the subject companies being valued and arrive at a share exchange ratio and report on the same in accordance with generally accepted professional standards.

This report is our deliverable for the said engagement and is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the report is to be read in totality and in conjunction with the relevant documents referred to therein.

### **SOURCES OF INFORMATION**

In connection with preparation of this report, we have used and relied on the following sources of information:

#### **A. Company specific information**

Information provided by the Management which includes:

1. Audited financials of DIL and FBL for the year ended 31 March 2018 ('FY18') and 31 March 2017 ('FY17');
2. Projected financial statements of FBL from FY19 to FY23 ('Projections') which represents Management's best estimate of the projected performance of FBL;
3. Unaudited provisional financial statements for FY18 of Aegean Properties Limited;
4. Audited financial statements for FY17 of subsidiaries, associates and joint venture companies of both FBL and DIL;
5. Valuation reports for the immovable properties held by DIL and its subsidiaries issued by TrueVal Advisors dated 05 May 2018 and Harshad Ruparel dated 18 February 2018;
6. Shareholding pattern of DIL and FBL as at 31 March 2018;
7. Market prices and trading history of DIL;
8. Copy of the draft scheme of amalgamation and arrangement;
9. Discussions and correspondence with the Management in connection with business operations, past trends, proposed future business plans and prospects etc.;

#### **B. Industry and economy information:**

- Information available in public domain and databases such as Moneycontrol, Capitaline, Bombay Stock Exchange ('BSE'), National Stock Exchange, Investing.com, Thomson Reuters, etc.; and



- Such other information and documents as provided by the Management of DIL and FBL for the purposes of this engagement.

Besides the above listing, there may be other information provided by the Management which may not have been perused by us in detail, if not considered relevant for our defined scope.

We have also considered/ obtained such other analysis, review, explanations and information considered reasonably necessary for our exercise, from the Management of DIL and FBL. The Management of DIL and FBL have been provided with the opportunity to review the draft report (without value recommendations) as part of our standard practice to make sure that factual inaccuracy/ omissions are avoided in our final report.

### **PROCEDURE ADOPTED**

Procedures used in our analysis included such substantive steps as we considered necessary under the circumstances, including, but not necessarily limited to the following:

- Discussion with the Management to:
  - Understand the business and fundamental factors that affects its earning generating capability including strength, weakness, opportunity and threat analysis and historical financial performance.
  - Enquire about business plans and future performance estimates.
- Analysis of information shared by the Management.
- Reviewed the draft scheme of amalgamation and arrangement.
- Reviewed the audited financial statements of DIL and FBL for FY18 and FY17.
- Selection of appropriate internationally accepted valuation methodology/ (ies) after deliberations.
- Estimated the fair value of assets held by DIL including the value of its holding in FBL.
- Identification of suitable comparable companies.
- Arrived at valuations of the Companies using the method considered appropriate.
- Arrived at share exchange ratio for the proposed amalgamation.



## **SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS**

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting/ tax due diligence, consulting or tax related services that may otherwise be provided by us.

This report, its contents and the results herein are specific and subject to:

- i. the purpose of valuation agreed as per the terms of this engagement;
- ii. the date of this report;
- iii. shareholding pattern of DIL and FBL including shares of FBL held by DIL;
- iv. approval by the shareholders of the proposed split and bonus issue recommended by the Board of DIL for the post-split and bonus share exchange ratio;
- v. realization of cash flow projections as provided by the Management in case of FBL;
- vi. fair value estimate of immovable properties valued by the technical valuers'; and
- vii. data detailed in the section – sources of information.

A value analysis of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular. It is based on information made available to us as of the date of this report, events occurring after that date hereof may affect this report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this report.

The recommendation(s) rendered in this report only represent our recommendation(s) based upon information furnished by the Companies till the date of this report and other sources, and the said recommendation(s) shall be considered to be in the nature of non-binding advice (our recommendation should not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors).

In the course of our analysis, we were provided with both written and verbal information, including market, technical, financial and operating data including information as detailed in the section – sources of information by the Management of DIL and FBL.

In accordance with the terms of our engagement, we have assumed and relied upon, without independent verification of,

- i. the accuracy of information made available to us by the Management, which formed a substantial basis for the report; and
- ii. the accuracy of information that was publicly available;



We have not carried out a due diligence or audit or review of the Companies for the purpose of this engagement, nor have we independently investigated or otherwise verified the data provided.

We are not legal or regulatory advisors with respect to legal and regulatory matters for the transaction. We do not express any form of assurance that the financial information or other information as prepared and provided by the Companies is accurate. Also with respect to explanations and information sought from the advisors, we have been given to understand by the Companies that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt.

Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness. Our conclusions are based on these assumptions and information given by/ on behalf of the Management. The Management of the Companies have indicated to us that they have understood any omissions, inaccuracies or misstatements may materially affect our recommendation. Accordingly, we assume no responsibility for any errors in the information furnished by the Companies and their impact on the report. Also, we assume no responsibility for technical information (if any) furnished by the Companies. However, nothing has come to our attention to indicate that the information provided was materially misstated/ incorrect or would not afford reasonable grounds upon which to base the report. We do not imply and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose.

The report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations and that the Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this report has given no consideration on to matters of a legal nature, including issues of legal title and compliance with local laws and litigation and other contingent liabilities that are not recorded in the audited financial statements of the Companies.

This report does not look into the business/ commercial reasons behind the transaction nor the likely benefits arising out of the same. Similarly, the report does not address the relative merits of the transaction as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available. This report is restricted to calculation of share exchange ratio only.

We must emphasize that since DIL is a company that primarily holds assets including immovable properties and investment in shares of various companies including FBL, we have fair valued such assets for the purpose of our analysis. For fair valuation of immovable properties, we have entirely relied on the valuation report issued by the technical valuers TrueVal Advisors and Harshad Ruparel. We have limited our analysis to validating the assumptions used based on publicly available market information and ratio analysis. There



are certain immovable properties held in trust by the Directors on behalf of DIL, we have considered the fair value of such immovable properties for our analysis.

Further, FBL has issued certain shares to the FBL ESOP Trust for which the consideration is yet to be received by FBL. We have considered these shares as outstanding for the purpose of our analysis.

We must emphasize that realization of free cash flow forecast used in the analysis will be dependent on the continuing validity of assumptions on which they are based. Our analysis therefore, will not, and cannot be directed to providing any assurance about the achievability of the final projections. Since the financial forecasts relate to the future, actual results are likely to be different from the projected results because events and circumstances do not occur as expected, and the differences could be material. To the extent that our conclusions are based on the forecasts, we express no opinion on achievability of those forecasts. The fact that we have considered the projections in this valuation exercise should not be construed or taken as our being associated with or a party to such projections.

The fee for the Engagement is not contingent upon the results reported.

We owe responsibility only to the Board of Directors of DIL and FBL, who have appointed us, and nobody else.

We do not accept any liability to any third party in relation to the issue of this report. It is understood that this analysis does not represent a fairness opinion. In no circumstance, shall the liability of NSK exceed the amount as agreed in our Engagement Letter.

This valuation report is subject to the laws of India.

Neither the report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the purpose of determining the share exchange ratio for the proposed amalgamation, without our prior written consent.

## **COMPANY BACKGROUND**

### **DIL Limited ('DIL')**

DIL is a public company incorporated under the provisions of the Companies Act, 1913. Its shares are listed on BSE. DIL is primarily engaged in the business of renting of immovable properties and it also holds certain strategic investment in companies operating in different businesses. DIL holds a 91.2% stake in FBL.

DIL had reported a standalone revenue of INR 12.5 crore and a loss of INR 24.1 crore during FY18.



The issue and subscribed capital of DIL as at 31 March 2018 consists of 22,93,198 equity shares of INR 10 each fully paid up.

The equity shareholding pattern of DIL Limited (prior to implementation of proposed split and bonus issue) as per the latest available filing with BSE is as under:

Shareholders	Number of Shares	% of Shareholding
Promoters	14,35,320	62.6%
Non Promoters	8,57,878	37.4%
<b>Total</b>	<b>22,93,198</b>	<b>100.0%</b>

\* Source: BSE Limited

### **Fermenta Biotech Limited ('FBL')**

FBL is a subsidiary of DIL and is primarily engaged in the manufacturing of cholecalciferol (vitamin D3) which has various applications across pharmaceutical, food, veterinary and feed industries. Cholecalciferol formulations are used in human food supplements and vitamin D3 resin and feed grade are used in animal feed supplements.

It also manufactures niche API's, penicillin G amidase, polymer supports and enzyme technologies for beta lactams and bio-enzymes.

FBL has its R&D facility at Thane and manufacturing facilities in Kullu, Himachal Pradesh and Dahej SEZ, Gujarat.

FBL reported a revenue of INR 300.4 crore and profit after tax of INR 72.1 crore for the year ended 31 March 2018.

The issued and subscribed capital of FBL as at 31 March 2018 consists of 18,192,844 equity shares of INR 10 each fully paid up (except 488,334 equity shares issued to FBL ESOP Trust for which the entire paid up amount is outstanding).

The equity shares of FBL are not listed on any stock exchange and its shareholding pattern as at the report date is set out below:

Shareholders	Number of Shares	% of Shareholding
DIL Limited	16,592,536	91.2%
DVK Investment Pvt. Ltd.,	87,024	0.5%
Others	1,513,284*	8.3%
<b>Total</b>	<b>18,192,844</b>	<b>100.0%</b>

\*Includes 488,334 equity shares issued to FBL ESOP Trust



## **VALUATION APPROACH AND METHODOLOGY OF SHARE EXCHANGE RATIO**

It should be understood that the valuation of any company or its assets is inherently subjective and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to the industry performance and general business and economic conditions, many of which are beyond the control of the companies.

Arriving at the fair share exchange ratio for the proposed amalgamation of FBL with DIL would require determining the fair value of equity shares of DIL in terms of the fair value of equity shares of FBL as at the Valuation Date. These values are to be determined independently but on a relative basis, and without considering the effect of the proposed amalgamation.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although, different values may exist for different purpose, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

The following are commonly used and accepted methods for determining the value of the equity shares of a company/ business:

1. Asset Approach – Net Asset Value method
2. Market Approach:
  - a) Market Price method
  - b) Comparable Companies Market Multiple method
3. Income Approach – Discounted Cash Flow method

For the proposed amalgamation, we have considered the following commonly used and accepted methods for determining the fair share exchange ratio, to the extent relevant and applicable:

### **1. Asset Approach – Net Asset Value method ('NAV')**

The asset based value analysis technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. This value analysis approach is mainly used in case where the firm is to be liquidated i.e. it does not meet the "going concern" criteria or in case where the asset base dominate earnings capability. It is also used where the main strength of the business is its asset backing rather than its capacity or potential to earn profits.

We have used the NAV method to value DIL as the major assets held by them include immovable properties and investment in equity shares of listed and unlisted companies



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Recommendation of share exchange ratio for the  
proposed amalgamation of FBL with DIL

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including FBL. Given that the company derives its major value from the assets held by it including the value of its investment in FBL, we have used NAV method to value DIL.

For valuing investment in companies and immovable properties we have replaced the book values of investments and immovable properties by its estimated fair value and for valuing the other assets and liabilities we have considered the book value as at 31 March 2018 to be representative of its fair value.

Given that FBL is a profitable company and is expected to continue to earn profits in the near future and would therefore be considered as a 'going concern', we have not used the NAV method to value FBL.

## 2. Market Approach

### a) Market Price method:

The market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares. But there could be situations where the value of the shares as quoted on the stock market would not be regarded as a proper index of the fair value of the share, especially where the market values are fluctuating in a volatile capital market.

Since, DIL is a listed company, it is governed by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time ('ICDR Regulations'). Under the ICDR Regulations, issuance of shares pursuant to order under Sections 230 to 232 of Companies Act, 2013, is required to follow pricing conditions that apply to the preferential issue, if such issue is to be made to shareholders of an unlisted company. These guidelines prescribe the minimum price at which the shares are to be issued and we have given due consideration to this requirement.

After analyzing the market movement of the share prices and the levels of volumes traded we concluded to assign NIL weight to the market price method in case of DIL for the following reasons:

- a) Shares of DIL are thinly traded with the average daily traded volumes over the last twenty-six weeks being less than 3,600 equity shares.
- b) Secondly, shares of DIL have recently been placed under the Additional Surveillance Measures framework by BSE which has resulted in the share price of DIL fluctuating significantly with the share price hitting circuit filters on a regular basis.





Given the above reasons we believe that the current market price of DIL equity shares do not adequately reflect its fair value and have therefore not considered the market price method for the purpose of our analysis.

FBL is an unlisted company and we have therefore not used the market price method to value FBL.

#### **b) Comparable Companies Multiple ('CCM') / Comparable Transaction Multiple ('CTM')**

Under CCM, the value of shares/ business of a company is determined based on market multiples of publicly traded comparable companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. CCM applies multiples derived from similar or 'comparable' publicly traded companies to a company's operating metrics. The appropriate multiple is generally based on the performance of listed companies with similar business models and size.

Under CTM, the value of shares/ business of a company is determined based on market multiples of publicly disclosed transactions in the similar space as that of the subject company. Multiples are generally based on data from recent transactions in a comparable sector, but with appropriate adjustment after consideration has been given to the specific characteristics of the business being valued.

We have not used CCM/ CTM for valuing the equity shares of either Companies, as there are no comparable listed companies operating in similar line of business and having similar business model in India.

### **3. Income Approach – Discounted Cash Flow Method**

DCF method values a business based upon the available cash flow a prudent investor would expect the subject business to generate over a given period of time. This method is used to determine the present value of a business on a going concern assumption and recognizes the time value of money by discounting the free cash flows for the explicit forecast period and the perpetuity value at an appropriate discount factor. Free cash flows are the cash flows expected to be generated by the company that are available to equity shareholders of the company. The terminal value represents the total value of the available cash flow for all periods subsequent to the forecast period. The terminal value of the business at the end of the forecast period is estimated and discounted to its equivalent present value and added to the present value of the explicit forecast period cash flow to estimate the value of the business.

The projected free cash flows to equity shareholders over the explicit forecast period and terminal value are discounted using the Cost of equity ('COE'). The sum of the discounted

Recommendation of share exchange ratio for the  
proposed amalgamation of FBL with DIL



value of such free cash flows to equity is the value of the business attributable to equity shareholders.

Using the DCF analysis involves determining the following:

**Estimating future cash flows:**

Free cash flows are the cash flows expected to be generated by the company that are available to equity shareholders of the company.

**Appropriate discount rate to be applied to cash flows i.e. the cost of equity**

This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to equity shareholders. The opportunity cost of equity capital providers equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

To arrive at the total value attributable to the equity shareholders of the business, value arrived through DCF method for the company is adjusted for the value of loans, excess cash, inflow on exercise of options, non-operating assets/ liabilities (e.g. fair value of investments, any contingent liabilities, etc.). The total value for equity shareholders is then divided by the total number of equity shares (on fully diluted basis) to arrive at the value per share of the business.

For the purpose of DCF value analysis, the free cash flows are based on projections and other information that are provided by the management of the company.

In case of FBL, we have used the financial projections as provided by the Management of FBL for the five-year period from FY19 to FY23 for the valuation of FBL under DCF method. We did not carry out any validation procedures or due diligence with respect to the information provided/ extracted or carry out any verification of the assets or comment on the achievability of the assumptions underlying the financial projections, save for satisfying ourselves to the extent possible that they are consistent with other information provided to us during the course of this engagement.

In case of DIL, given that it is an asset heavy company, we have not used the income approach to value it.

**MAJOR FACTORS THAT WERE CONSIDERED DURING VALUATION**

- The trends in the Vitamin D3 feed prices including the recent spurt in prices and the estimated long term price of the same going forward
- Improvement in margins of FBL on account of the various cost optimization programs being undertaken by the Management of FBL.
- In case of DIL, volatility in its share prices and lack of adequate trades on BSE



## **RECOMMENDATION OF THE RATIO OF SHARE EXCHANGE FOR THE PROPOSED AMALGAMATION**

The fair exchange ratio has been arrived at on the basis of a relative equity valuation of the Companies for the proposed amalgamation based on the various methodologies mentioned herein earlier. Suitable rounding off have been carried out wherever necessary to arrive at the fair value/ exchange ratio.

In light of the above and on a consideration of all the relevant factors and circumstances as discussed and outlined herein above we recommend the share exchange ratio as follows:

**100** equity shares of **DIL** of INR 10 each fully paid up for every **1,006** equity shares of **FBL** of INR 10 each fully paid up.

## **SHARE EXCHANGE RATIO IN CASE THE RECOMMENDED SPLIT AND BONUS ISSUE APPROVED**


Further, we were informed that the Board of Directors of DIL have in its board meeting held on 18 June 2018, subject to the approval of the shareholders, recommended a split/ sub division of equity shares of DIL from a face value of INR 10 each to face value of INR 5 each. The Board has also recommended, subject to shareholder approval issue of bonus shares in the proportion of 1:1 i.e. 1 (one) fully paid equity shares of INR 5 each for every 1 (one) existing fully paid up equity shares of INR 5 each held by the members.

Should both the above proposals be approved by the shareholders prior to the approval of the scheme the recommended share exchange ratio would stand revised as under:

**100** equity shares of **DIL** of INR 5 each fully paid up for every **251** equity shares of **FBL** of INR 10 each fully paid up.

Respectfully Submitted

N S KUMAR & CO.  
Chartered Accountants  
ICAI Firm Registration No. 139792W

  
Niranjan S Kumar  
Proprietor  
Membership No. 121635



Date: 21 June 2018  
Place: Mumbai

**Annexure 1:**

**Computation of share exchange ratio is given below:**

Valuation Approach	DIL per share value (A)		FBL per share value (B)	
	Value Per Share (INR)	Weight	Value Per Share (INR)	Weight
Asset Approach	5,668.5	100%	94.9	0.0%
Income Approach	NA	NA	563.2	100%
Market Approach - Market Price method	3,289.3	0.0%	NA	NA
Market Approach - Comparable Companies Multiple method	NA	NA	NA	NA
<b>Relative Value per Share</b>	<b>5,668.5</b>		<b>563.2</b>	
<b>Exchange Ratio Round Off (A/ B)</b>			<b>10.06</b>	

*NA - Not Adopted/ Not Applicable*

**Post-split and Bonus Scenario**

Valuation Approach	DIL per share value (A)		FBL per share value (B)	
	Value Per Share (INR)*	Weight	Value Per Share (INR)	Weight
Asset Approach	1,417.1	100%	94.9	0.0%
Income Approach	NA	NA	563.2	100%
Market Approach - Market Price method	822.3	0.0%	NA	NA
Market Approach - Comparable Companies Multiple method	NA	NA	NA	NA
<b>Relative Value per Share</b>	<b>1,417.1</b>		<b>563.2</b>	
<b>Exchange Ratio Round Off (A/ B)</b>			<b>2.51</b>	

*NA - Not Adopted/ Not Applicable*

\* Price considered above adjusted for both split followed by bonus issue



# KEYNOTE

21<sup>st</sup> June 2018

**The Board of Directors,**

**DIL Limited**

A-1601, Thane One,  
DIL Complex, Majiwada,  
Thane (West) – 400 610

Dear Sir,

**Reg: Fairness Opinion in connection with the proposed merger of Fermenta Biotech Limited (the “Transferor Company” or “FBL”) into DIL Limited (“DIL” or the “Transferee Company”)**

Keynote Corporate Services Limited (“Keynote” or “we” or “us”) is a Category I Merchant Banker registered with Securities Exchange Board of India (“SEBI”). We understand that the Board of Directors of DIL Limited (“DIL” or the “Transferee Company”) and Fermenta Biotech Limited (“FBL” or the “Transferor Company”) are contemplating a corporate restructuring wherein it is considering a Scheme of Amalgamation (“Scheme”) for the merger of Fermenta Biotech Limited into DIL Limited (“DIL” or the “Transferee Company”). The proposed restructuring is to be carried out pursuant to the Scheme of Amalgamation under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

In connection with the proposed Scheme, we have been requested by the Board of Directors of DIL to issue a Fairness Opinion as of the date hereof, as to the fairness of the Share Exchange Ratio to the Equity Shareholders of DIL. We have perused the documents/ information provided by you in respect of the said Scheme and the Valuation Report as issued by N S Kumar & Co. Chartered Accountants (“NSKC”) dated 21<sup>st</sup> June 2018 and state as follows:

**Company Profile:**

**DIL Limited**, Transferee Company is a listed public limited company incorporated under the Companies Act, 1913 having its registered office at A-1601, Thane One, ‘DIL’ Complex, Ghodbunder Road, Majiwade, Thane (W) – 400 610, Maharashtra, India (hereinafter referred to as the “Transferee Company”). The Transferee Company was originally incorporated to engage in the business of manufacturing and marketing of drugs and pharmaceuticals, chemicals, cosmetics and toiletries products under the name International Franchise Private Limited. In 1971, its name was changed to Crookes Interfran Limited which was further changed to Duphar-Interfran Limited and post demerger of its formulation business to Solvay Pharma India Limited in 2001 to DIL Limited. The Transferee Company is majorly into the business of manufacturing and marketing of chemicals, API, enzymes, pharmaceutical formulations and environmental solution products, through its subsidiary and is also engaged in the business of renting of properties.

**Fermenta Biotech Limited**, Transferor Company (CIN: U99999MH1986PLC134021) is an unlisted public limited company incorporated under the Companies Act, 1956 having its registered office at A-1501, Thane One, ‘DIL’ Complex, Ghodbunder Road, Majiwade, Thane (W) – 400 610, Maharashtra, India (hereinafter referred to as the “Transferor Company”). The Transferor Company is engaged in the business of manufacturing and marketing of chemicals, active pharmaceutical ingredients (‘API’), enzymes,

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CIN-L67120MH1993PLC072407

# KEYNOTE

pharmaceutical formulations and environmental solution products. The Transferor Company is a subsidiary of the Transferee Company.

## Rationale of the Amalgamation:

The Transferee Company is holding 91.20% equity stake in the Transferor Company. In order to consolidate and effectively manage the Transferor Company and the Transferee Company in a single entity and to achieve *inter-alia* economies of scale and efficiency, the merger is being undertaken. The amalgamation of the Transferor Company with the Transferee Company would *inter alia* have the following benefits:

- (a) Amalgamation to be value accretive to the shareholders of the Transferee Company as the shareholders would have direct access to the core business of the Transferor Company;
- (b) Greater integration and greater financial strength and flexibility for the amalgamated entity, which would result in maximising overall shareholder value;
- (c) Greater efficiency in cash management of the group and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize shareholder value;
- (d) Improved organizational capability and leadership, arising from the pooling of human capital having diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry;
- (e) Cost savings are expected to flow from more focused operational efforts, rationalization, standardisation and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses;
- (f) Reduction in the multiplicity of legal and regulatory compliances required at present to be separately carried out by the Transferor Company and the Transferee Company;
- (g) To optimally leverage the larger assets base and cash flow of the amalgamated entity;
- (h) Amalgamation will result in the Transferee Company directly controlling and managing the business of the Transferor Company which would lead to simplification of the shareholding structure and reduction of shareholding tiers; and
- (i) To meet the covenants agreed upon for taking a loan facility and to avail the incentivised reduction in the interest rates from lenders in respect of the borrowings.

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## Sources of Information:

For arriving at the Fairness Opinion set forth below, we have relied upon the following sources of information:

- Valuation Report by N S Kumar & Co. Chartered Accountants dated 21<sup>st</sup> June 2018
- Audited financials of DIL & FBL for the year ended 31<sup>st</sup> March 2018 and 31<sup>st</sup> March 2017
- Unaudited financial statements for the year ended 31<sup>st</sup> March 2018 of Aegean Properties Limited
- Audited financial statements for the year ended March 2017 of associates and joint venture companies
- Valuation reports for the immovable properties held by DIL and its subsidiaries issued by TrueVal Advisors dated 05 May 2018 and Harshad Ruparel dated 18 February 2018
- Projected Financials for the five year period from financial year 2019 to 2023 of FBL
- Shareholding pattern of DIL and FBL as at 31<sup>st</sup> March 2018
- Draft Scheme of Amalgamation
- Other relevant information/documents regarding FBL & DIL including information available through public domain

In addition to the above, we have also obtained such other information and explanations, which were considered relevant for the purpose of our Analysis.

## Our Recommendation:

As stated in the Valuation Report by N S Kumar & Co. Chartered Accountants, they have recommended the following:

**“100 equity shared of DIL of INR 10 each fully paid up for every 1,006 equity shares of FBL of INR 10 each fully paid up”.**

### SHARE EXCHANGE RATIO IN CASE THE RECOMMENDED SPLIT AND BONUS ISSUE APPROVED

*Further, we were given to understand that the Board of Directors of DIL have in its board meeting held on 18 June 2018, subject to the approval of the shareholders, recommended a split/ sub division of equity shares of DIL from a face value of INR 10 each to face value of INR 5 each. The Board has also recommended, subject to shareholder approval issue of bonus shares in the proportion of 1:1 i.e. 1 (one) fully paid equity shares of INR 5 each for every 1 (one) existing fully paid up equity shares of INR 5 each held by the members.*

*Should both the above proposals be approved by the shareholders the recommended share exchange ratio would be revised as under:*

**“100 equity shares of DIL of INR 5 each fully paid up for every 251 equity shares of FBL of INR 10 each fully paid up”.**

## **Keynote Corporate Services Limited**

# KEYNOTE

The aforesaid Arrangement shall be pursuant to the Scheme and shall be subject to receipt of approval from the National Company Law Tribunal or such other competent authority as may be applicable and other statutory approvals as may be required. The detailed terms and conditions of the arrangement are more fully set forth in the Scheme. Keynote has issued the Fairness Opinion with the understanding that Scheme shall not be materially altered and the parties hereto agree that the Fairness Opinion would not stand good in case the final Scheme alters the transaction

**Based on the information, data made available to us, including the Valuation Report, to the best of our knowledge and belief, the Share Exchange Ratio as recommended by N S Kumar & Co. Chartered Accountants in relation to the proposed Scheme is fair to the equity shareholders of DIL Limited in our opinion.**

**Exclusions and Limitations:**

We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by DIL and FBL for the purpose of this opinion. Our work does not constitute an audit or certification or due diligence of the working results, financial statements, financial estimates or estimates of value to be realized for the assets of DIL and FBL. We have solely relied upon the information provided to us by DIL and FBL. We have not reviewed any books or records of DIL and FBL (other than those provided or made available to us). We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties or facilities of DIL and FBL and neither express any opinion with respect thereto nor accept any responsibility therefore. We have not made any independent valuation or appraisal of the assets or liabilities of DIL and FBL. We have not reviewed any internal management information statements or any non-public reports, and, instead, with your consent we have relied upon information which was publicly available or provided or otherwise made available to us by DIL and FBL for the purpose of this opinion. We are not experts in the evaluation of litigation or other actual or threaten claims and hence have not commented on the effect of such litigation or claims on this opinion. We are not legal, tax, regulatory or actuarial advisors. We are financial advisors only and have relied upon, without independent verification, the assessment of DIL and FBL with respect to these matters. In addition, we have assumed that the Scheme will be approved by the regulatory authorities and that the proposed Transaction will be consummated substantially in accordance with the terms set forth in the Draft Composite Scheme.

We understand that the management of DIL during our discussion with them would have drawn our attention to all such information and matters which may have an impact on our analysis and opinion. We have assumed that in the course of obtaining necessary regulatory or other consents or approvals for the Scheme, no restrictions will be imposed that will have a material adverse effect on the benefits of the Transaction that DIL may have contemplated. Our opinion is necessarily based on financial, economic, market and other conditions as they currently exist and on the information made available to us as of the date hereof. It should be understood that although subsequent developments may affect this opinion, we do not have any obligation to update, revise or reaffirm this opinion. In arriving at our opinion, we are not authorized to solicit, and did not solicit, interests for any party with respect to the acquisition, business combination or other extra-ordinary transaction involving DIL or any of its assets, nor did we negotiate with any other party in this regard.

**Keynote Corporate Services Limited**



# KEYNOTE

We have acted as a financial advisor to DIL for providing a Fairness Opinion and will receive a fee for our services.

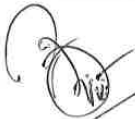
In the ordinary course of business, Keynote is engaged in securities trading, securities brokerage and investment activities, as well as providing investment banking and investment advisory services. In the ordinary course of its trading, brokerage and financing activities, any member of Keynote may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or senior loans of any company that may be involved in the Transaction.

The Fairness Opinion is addressed only to the Board of Directors of DIL and is for the purpose of submission to the Stock Exchanges under the SEBI Circular. Further, the Fairness Opinion may be disclosed on the website of DIL and the Stock Exchanges and also be made part of the explanatory statement to be circulated to the shareholders and/ or creditors of the Company. The Fairness Opinion should be read in totality and not in parts. The Fairness Opinion shall not otherwise be disclosed or referred to publicly or to any other third party without Keynote's prior written consent. If this Fairness Opinion is used by any person other than whom it is addressed or for any purpose other than the purpose stated hereinabove, then we will not be liable for any consequences thereof.

We express no opinion whatever and make no recommendation at all as to DIL's underlying decision to effect to the proposed Transaction or as to how the holders of equity shares or preference shares or secured or unsecured creditors of DIL should vote at their respective meetings, if any, held in connection with the Transaction. We do not express and should not be deemed to have expressed any views on any other terms of Transaction. We also express no opinion and accordingly accept no responsibility for or as to the prices at which the equity shares of DIL will trade following the announcement of the Transaction or as to the financial performance of DIL following the consummation of the Transaction.

In no circumstances however, will Keynote Corporate Services Limited or its associates, directors or employees accept any responsibility or liability to any third party and in the unforeseen event of any such responsibility or liability being imposed on Keynote Corporate Services Limited or its associates, directors or employees by any third party, DIL and their affiliates shall indemnify them.

For KEYNOTE CORPORATE SERVICES LTD



**Uday Patil**

*Director - Investment Banking*

**SEBI Registration No. INM000003606**

**(Category – I Merchant Banker)**

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## Keynote Corporate Services Limited

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## **ANNEXURE 4**

### **REPORT ADOPTED BY THE BOARD OF DIRECTORS OF DIL LIMITED (“THE COMPANY”) AT ITS MEETING HELD ON THURSDAY THE 21 DAY OF JUNE, 2018, EXPLAINING THE EFFECT OF SCHEME OF AMALGAMATION OF FERMENTA BIOTECH LIMITED (THE “TRANSFEROR COMPANY”) AND DIL LIMITED (THE “TRANSFEE COMPANY”) AND THEIR RESPECTIVE SHAREHOLDERS**

#### **Background:**

1. The Board of Directors (“**Board**”) of DIL Limited (“**DIL**” or the “**Company**”) at its meeting held on June 21, 2018 approved the **Scheme of Amalgamation of Fermenta Biotech Limited (“FBL” or the “Transferor Company”) and DIL Limited (the “Transferee Company”)** and their respective shareholders (hereinafter referred to as “**Scheme**”), for the amalgamation of FBL and DIL (“Amalgamation”), to be implemented under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“**Act**”).
2. In terms of the Section 232(2)(c) of the Act, a report from the Board of the Company explaining the effect of the Amalgamation on equity shareholders, key managerial personnel (“**KMP**”), promoters and non-promoter shareholders of the Company has to be appended with the notice of the meeting of shareholders and creditors. Further, the said report has to specify special valuation difficulties, if any, in the valuation.
3. This report of the Board is accordingly made in order to comply with the requirements of Section 232(2)(c) of the Act.
4. While deliberating on the Scheme, the Board had, inter-alia, considered and took on record the following documents:
  - (a) Draft Scheme;
  - (b) Valuation Report dated June 21, 2018 of N S Kumar & Co., (“the Valuers”), Independent Chartered Accountants, describing the methodology adopted by them in arriving at the share exchange ratio (“Valuation Report”);
  - (c) Fairness Opinion dated June 21, 2018 prepared by Keynote Corporate Services Limited, a SEBI Registered Merchant Banker, providing the Fairness Opinion on the share exchange ratio (“Fairness Opinion”) as recommended by N S Kumar & Co., the Valuers;
  - (d) Report of the Audit Committee of the Board of Directors dated June 21, 2018 recommending the Scheme to the Board; and
  - (e) Summary of the Valuation Report / Share Exchange Ratio along with the basis of such valuation.

#### **Effect of the Scheme on equity shareholders (promoter shareholders and non-promoter shareholders), employees and KMPs of DIL:**

5. The Scheme, amongst others, contemplates the following arrangement:
  - (a) Upon coming into effect of this Scheme and its consideration thereof, the DIL shall without any further application, act or deed, issue and allot (‘Share Exchange Ratio’), subject to the provisions of the sub-clause 2 given below:

“100 (Hundred) equity shares of INR. 10/- (Rupees Ten only) each credited as fully paid-up of the Transferee Company for every 1006 (One Thousand Six) equity shares of INR. 10/- (Rupees Ten only) held in the Transferor Company and whose names are recorded in the register of members on the Record Date.”
  - (b) Subject to members’ approval, the Board of directors of DIL at its meeting held on June 18, 2018 approved: (a) split/sub division of share from face value of INR. 10/- each to face value of INR. 5/- each; and (b) issue of bonus equity shares in the proportion of 1:1, having face value of INR. 5/- each. Accordingly, the number of shares to be issued to the shareholders of FBL will undergo change as follows (‘New Share Exchange Ratio’):

“100 (Hundred) equity shares of the Transferee Company of INR 5/- (Rupees Five only) each fully paid up for every 251 (Two Hundred and Fifty-One only) equity shares of the Transferor Company of INR. 10/- (Rupees Ten only) each fully paid up.”
  - (c) Upon the scheme becoming effective, no shares of **DIL** shall be allotted in lieu or exchange of its 91.20% holding in **FBL** and 91.20% Paid up share capital of **FBL** shall stand cancelled.
  - (d) The equity shares to be allotted by DIL to the shareholders of FBL will in all respect rank *pari passu* with the existing equity shares of DIL for dividend and voting rights, save and except that the holders of such equity shares shall not be entitled to the dividend declared by DIL before the Effective Date of the Scheme.
  - (e) The authorised share capital of FBL, shall stand transferred to and be amalgamated with the authorised share capital of DIL in the manner as stipulated in Clause 9 of Part III of the Scheme;

- (f) Clause V of the Memorandum of Association of DIL shall be amended in accordance with Clause 9.2 of Part III of the Scheme;
- (g) On the Effective Date of this Scheme, the name of DIL shall be changed from DIL Limited to '**FERMENTA BIOTECH LIMITED**' or such other name as may be approved by the Registrar of Companies of Maharashtra at Mumbai. The change in the name of DIL shall be effected without any further act or deed and as an integral part of the Scheme and the order of the NCLT sanctioning this Scheme shall be deemed to be an order under provisions of the Act, confirming the change of name of DIL. It shall be deemed that the members of FBL have also resolved and accorded their no objection to adopt the name of FBL after the coming into effect of this Scheme, and dissolution of FBL without winding-up as provided under the Clause 10 of Part III of the Scheme.
6. The Board reviewed the Scheme, Valuation Report and Fairness Opinion and also noted the rationale and the benefits of the Scheme which, inter-alia, are as follows :
- The Transferee Company is holding 91.20% equity stake in the Transferor Company. In order to consolidate and effectively manage the Transferor Company and the Transferee Company in a single entity and to achieve *inter-alia* economies of scale and efficiency, the merger is being undertaken. The amalgamation of the Transferor Company with the Transferee Company would *inter alia* have the following benefits:
- (a) Amalgamation to be value accretive to the shareholders of the Transferee Company as the shareholders would have directly access to the core business of the Group;
  - (b) Greater integration and greater financial strength and flexibility for the amalgamated entity, which would result in maximising overall shareholder value;
  - (c) Greater efficiency in cash management of the group and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize shareholder value;
  - (d) Improved organizational capability and leadership, arising from the pooling of human capital having diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry;
  - (e) Cost savings are expected to flow from more focused operational efforts, rationalization, standardisation and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses;
  - (f) Reduction in the multiplicity of legal and regulatory compliances required at present to be separately carried out by the Transferor Company and the Transferee Company;
  - (g) To optimally leverage the larger assets base and cash flow of the amalgamated entity;
  - (h) Amalgamation will result in the Transferee Company directly controlling and managing the business of Transferor Company which would lead to simplification of the shareholding structure and reduction of shareholding tiers; and
  - (i) To meet the covenants for taking loan facility and to avail the incentivised reduction in the interest rates from lenders in respect of the borrowing of the Transferor and Transferee Companies.
7. Under the Scheme, there is no arrangement with the creditors, either secured or unsecured of DIL. No compromise is offered under the Scheme to any of the creditors of DIL. The liability of the creditors of DIL, under the Scheme, is neither being reduced nor being extinguished.
8. Under the Scheme, no rights of the staff and employees of DIL are being affected. The services of the staff and employees of DIL shall continue on the same terms and conditions on which they were engaged by DIL.
9. All the permanent employees of FBL who are in its employment as on the Effective Date of the Scheme shall become the permanent employees of DIL with effect from the Effective Date of the Scheme without any break or interruption in service and on terms and conditions as to employment and remuneration not less favourable than those on which they are engaged or employed by FBL.
10. The directors, KMP of DIL and their respective relatives may have an interest in the Scheme to the extent of the equity shares held by them in DIL and/or to the extent that one of the directors, namely, Mr. Krishna Datla, is a promoter of "DIL" and/or to the extent that the said promoter along with other promoters of "DIL" may hold shares in DIL. Further, the shareholding of DIL directors and/or KMP and their relatives in FBL is given below. Save as aforesaid, none of the directors or KMP has any material interest in the Scheme.

Name	Status in FBL	No. of equity shares held (Rs. 10 each)
Mr. Krishna Datla	Director in FBL	10,800
Ms. Rajeshwari Datla	Relative of Mr. Krishna Datla	90,738
Ms. Preeti Thakkar	Relative of Mr. Krishna Datla	8,412
Ms. Anupama Datla Desai	Relative of Mr. Krishna Datla	5,400
Mr. Satish Varma	Managing Director in FBL	10*

\*Shares held u/s. erstwhile 187C of the Companies Act, 1956 (now Section 89 of Companies Act, 2013) in favour of DIL Limited.

11. There is no effect of the Scheme on the KMP and / or the Directors of DIL.
12. No special valuation difficulties were reported to the Board by the Valuers.

**By order of the Board of Directors of DIL Limited**

**Krishna Datla**  
**Managing Director**  
**DIN: 00003247**

## **ANNEXURE 5**

### **REPORT ADOPTED BY THE BOARD OF DIRECTORS OF FERMENTA BIOTECH LIMITED AT ITS MEETING HELD ON THURSDAY THE 21 DAY OF JUNE, 2018, EXPLAINING THE EFFECT OF SCHEME OF AMALGAMATION OF FERMENTA BIOTECH LIMITED (THE “TRANSFEROR COMPANY”) AND DIL LIMITED (THE “TRANSFEE COMPANY”) AND THEIR RESPECTIVE SHAREHOLDERS**

#### **Background:**

1. The Board of Directors (“**Board**”) of Fermenta Biotech Limited (“**FBL**” or the “**Company**”/ “**Transferor Company**”) at its meeting held on June 21, 2018 approved the Scheme of Amalgamation of the Company and DIL Limited (the “**Transferee Company**”) and their respective shareholders (hereinafter referred to as “**Scheme**”), for the amalgamation of FBL with DIL (“**Amalgamation**”), to be implemented under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“**Act**”).
2. In terms of the Section 232(2)(c) of the Act, a report from the Board of the Company explaining the effect of the Amalgamation on equity shareholders, key managerial personnel (“**KMP**”), promoters and non-promoter shareholders of the Company has to be appended with the notice of the meeting of shareholders and creditors. Further, the said report has to specify special valuation difficulties, if any, in the valuation.
3. This report of the Board is accordingly made in order to comply with the requirements of Section 232(2)(c) of the Act.
4. While deliberating on the Scheme, the Board had, inter-alia, considered and took on record the following documents:
  - a) Draft Scheme;
  - b) Valuation Report dated June 21, 2018 of N S Kumar & Co., (“the Valuers”), Independent Chartered Accountants, describing the methodology adopted by them in arriving at the share exchange ratio (“**Valuation Report**”);
  - c) Fairness Opinion dated June 21, 2018 prepared by Keynote Corporate Services Limited, a SEBI Registered Merchant Banker, providing the Fairness Opinion on the share exchange ratio (“**Fairness Opinion**”) as recommended by N S Kumar & Co., the Valuers;
  - d) Summary of the valuation report / Share Exchange Ratio along with the basis of such valuation.

#### **Effect of the Scheme on equity shareholders (promoter shareholders and non-promoter shareholders), employees and KMPs of DIL:**

5. The Scheme, amongst others, contemplates the following arrangement:
  - (a) Upon coming into effect of this Scheme and its consideration thereof, the DIL shall without any further application, act or deed, issue and allot (‘Share Exchange Ratio’), subject to the provisions of the sub-clause 2 given below:

“100 (Hundred) equity shares of INR. 10/- (Rupees Ten only) each credited as fully paid-up of the Transferee Company for every 1006 (One Thousand Six) equity shares of INR. 10/- (Rupees Ten only) held in the Transferor Company and whose names are recorded in the register of members on the Record Date.”
  - (b) Subject to members’ approval, the Board of directors of DIL at its meeting held on June 18, 2018 approved: (a) split/sub division of share from face value of INR. 10/- each to face value of INR. 5/- each; and (b) issue of bonus equity shares in the proportion of 1:1, having face value of INR. 5/- each. Accordingly, the number of shares to be issued to the shareholders of FBL will undergo change as follows (‘New Share Exchange Ratio’):

“100 (Hundred) equity shares of the Transferee Company of INR 5/- (Rupees Five only) each fully paid up for every 251 (Two Hundred and Fifty-One only) equity shares of the Transferor Company of INR. 10/- (Rupees Ten only) each fully paid up.”
  - (c) Upon the scheme becoming effective, no shares of **DIL** shall be allotted in lieu or exchange of its 91.20% holding in **FBL** and 91.20% Paid up share capital of **FBL** shall stand cancelled.
  - (d) The equity shares to be allotted by DIL to the shareholders of FBL will in all respect rank *paripassu* with the existing equity shares of DIL for dividend and voting rights, save and except that the holders of such equity shares shall not be entitled to the dividend declared by DIL before the Effective Date of the Scheme.
  - (e) The authorised share capital of FBL, shall stand transferred to and be amalgamated with the authorised share capital of DIL in the manner as stipulated in Clause 9 of Part III of the Scheme;

- (f) Clause V of the Memorandum of Association of DIL shall be amended in accordance with Clause 9.2 of Part III of the Scheme;
- (g) On the Effective Date of this Scheme, the name of DIL shall be changed from DIL Limited to **FERMENTA BIOTECH LIMITED** or such other name as may be approved by the Registrar of Companies of Maharashtra at Mumbai. The change in the name of DIL shall be effected without any further act or deed and as an integral part of the Scheme and the order of the NCLT sanctioning this Scheme shall be deemed to be an order under provisions of the Act, confirming the change of name of DIL. It shall be deemed that the members of FBL have also resolved and accorded their no objection to adopt the name of FBL after the coming into effect of this Scheme, and dissolution of FBL without winding-up as provided under the Clause 10 of Part III of the Scheme.
6. The Board reviewed the Scheme, Valuation Report and Fairness Opinion and also noted the rationale and the benefits of the Scheme which, inter-alia, are as follows :
- The Transferee Company is holding 91.20% equity stake in the Transferor Company. In order to consolidate and effectively manage the Transferor Company and the Transferee Company in a single entity and to achieve *inter-alia* economies of scale and efficiency, the merger is being undertaken. The amalgamation of the Transferor Company with the Transferee Company would *inter alia* have the following benefits:
- (a) Amalgamation to be value accretive to the shareholders of the Transferee Company as the shareholders would have directly access to the core business of the Group;
- (b) Greater integration and greater financial strength and flexibility for the amalgamated entity, which would result in maximising overall shareholder value;
- (c) Greater efficiency in cash management of the group and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize shareholder value;
- (d) Improved organizational capability and leadership, arising from the pooling of human capital having diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry;
- (e) Cost savings are expected to flow from more focused operational efforts, rationalization, standardisation and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses;
- (f) Reduction in the multiplicity of legal and regulatory compliances required at present to be separately carried out by the Transferor Company and the Transferee Company;
- (g) To optimally leverage the larger assets base and cash flow of the amalgamated entity;
- (h) Amalgamation will result in the Transferee Company directly controlling and managing the business of Transferor Company which would lead to simplification of the shareholding structure and reduction of shareholding tiers; and
- (i) To meet the covenants for taking loan facility and to avail the incentivised reduction in the interest rates from lenders in respect of the borrowing of the Transferor and Transferee Companies.
7. Under the Scheme, there is no arrangement with the creditors, either secured or unsecured of FBL. No compromise is offered under the Scheme to any of the creditors of FBL. The liability of the creditors of FBL, under the Scheme, is neither being reduced nor being extinguished.
8. All the permanent employees of FBL who are in its employment as on the Effective Date of the Scheme shall become the permanent employees of DIL with effect from the Effective Date of the Scheme without any break or interruption in service and on terms and conditions as to employment and remuneration not less favourable than those on which they are engaged or employed by FBL.
9. The directors, KMP of FBL and their respective relatives may have an interest in the Scheme to the extent of the equity shares held by them in FBL and/or to the extent that one of the directors, namely, Mr. Krishna Datla, is a promoter of FBL and/or to the extent that the said promoter along with other promoters of FBL may hold shares in FBL. Further, the shareholding of FBL directors and/or KMP and their relatives in FBL is given below. Save as aforesaid, none of the FBL directors or KMP or their relatives has any material interest in the Scheme:

Name	Status in FBL	No. of equity shares held (Rs. 10 each)
Mr. Krishna Datla	Director in FBL	10,800
Ms. Rajeshwari Datla	Relative of Mr. Krishna Datla	90,738
Ms. Preeti Thakkar	Relative of Mr. Krishna Datla	8,412
Ms. Anupama Datla Desai	Executive Director in FBL	5,400
Mr. Satish Varma	Managing Director in FBL	10*

\*Shares held u/s. erstwhile 187C of the Companies Act, 1956 (now Section 89 of Companies Act, 2013) in favour of DIL Limited.

10. On the coming into effect of this Scheme, the Board of Directors and any committees thereof of FBL shall without any further act, instrument or deed be and stand dissolved and the KMPs of FBL will cease to be KMPs.
11. No special valuation difficulties were reported to the Board by the Valuers.

By order of the Board of Directors of

**Fermenta Biotech Limited**

**Satish Varma**  
**Managing Director**  
**DIN: 00003255**

## **ANNEXURE 6**

**IN THE NATURE OF ABRIDGED PROSPECTUS MEMORANDUM CONTAINING  
SALIENT FEATURES OF THE SCHEME OF AMALGAMATION  
OF FERMENTABIOTECH LIMITED WITH DIL LIMITED AND THEIR RESPECTIVE  
SHAREHOLDERS (HEREINAFTER REFERRED TO AS THE “SCHEME”)**

This document is prepared to comply with the requirement of Regulation 37 of the Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and in accordance with the disclosures in the Abridged Prospectus as provided in Part D of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, to the extent applicable.

**THE ABRIDGED PROSPECTUS CONSISTS OF 13 (THIRTEEN) PAGES.  
PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES**



### **FERMENTABIOTECH LIMITED**

The Company was incorporated on July 11, 1986 as an unlisted public limited company.

**Registered Office:** -A -1501, Thane One, DIL Complex, Ghodbunder Road, Majiwade,  
Thane (West) 400 610, Maharashtra, India Thane MH 400610 IN

**Tel No.:** 022-67980800/888 ; **Fax No.:** 022-67980899

**E-mail:** fermenta@fermentabiotech.com; **Website:** www.fermentabiotech.com/

**CIN:** U99999MH1986PLC134021

**Contact Person:** Varadvinayak Khambete, Company Secretary

**Tel No.:** 022-67980800/888 ; **Fax No.:** 022-67980899

Email: varadvinayak.khambete@fermentabiotech.com

### **PROMOTERS OF OUR COMPANY**

**Promoters of the Company:** (I) DIL Limited (II) Mr Krishna Datla.

### **SCHEME DETAILS AND LISTING**

It is proposed to amalgamate Fermenta Biotech Limited (hereinafter referred to as “FBL” or “the Transferor Company”) with DIL Limited (hereinafter referred to as “DIL” or the “Transferee Company” or “the Issuing Company”) through a Scheme of Amalgamation under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 as may be applicable.

FBL is a majority owned subsidiary of DIL Limited. DIL presently holds 1,65,92,536 equity shares of Rs. 10/- each in FBL constituting 91.20% of the paid up share capital of FBL. Pursuant to the scheme being effective shareholders of FBL shall directly hold shares in DIL.

The equity shares so offered through the Scheme would be listed on the Stock Exchanges under Regulation 19 of Securities Contracts (Regulation) Rules, 1957. The Equity Shares are proposed to be listed on the BSE Limited, (“BSE”). For the purposes of the Scheme, the Designated Stock Exchange shall be BSE.

### **PROCEDURE**

The procedure with respect to Public Issue/Offer would not be applicable as this issue is only to the shareholders of the Transferor Company, pursuant to the Scheme without any cash consideration. Hence, the procedure with respect to FBL may be applicable only to the limited extent as specifically provided.



## INDICATIVE TIMELINE

This Abridged Prospectus is filed pursuant to the Scheme, and is not an offer to public at large. Given that the Scheme requires approval of various regulatory authorities including and primarily, the NCLT, the time frame cannot be established with certainty. However, in general, it may take 5 to 6 months after the shareholders' meeting.

## COMPANY'S ABSOLUTE RESPONSIBILITY

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that the Abridged Prospectus contains all information with regard to the Company and this Scheme, which is material in the context of this Scheme, that the information contained in the Abridged Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes the Abridged Prospectus as a whole or any such information or the expression of any such opinions or intentions misleading in any material report.

## GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the equity of the Issuing Company unless they can afford to take the risk of losing their entire investment. Shareholders are advised to read the risk factors carefully before taking an investment decision in relation to the Scheme. For taking an investment decision, shareholders must rely on their own examination of our Company and the Scheme including the risks involved. The equity shares being offered have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of the Abridged Prospectus. Specific attention of the shareholders is invited to the section titled "Risk Factors" at page 11 of the Abridged Prospectus.

<b>Merchant Bankers</b>	<b>Keynote Corporate Services Limited</b> The Ruby, 9th Floor, Senapati Bapat Marg, Dadar West, Mumbai – 400028 Email: info@keynoteindia.net Tel: +91 (22) 3026 6000; Fax: +91 (22) 3026 6088.
<b>Statutory Auditor</b>	<b>Deloitte Haskins and Sells LLP,</b> Chartered Accountants India bulls Finance Centre, Tower 3, 27th to 32nd Floor, Senapati Bapat Marg, Elphinstone Road –West, Mumbai 400013. Email: rajhiraanandani@deloitte.com Tel: 91-22-61854000 Fax: 91-22-61854001

## DETAILS OF PROMOTERS OF OUR COMPANY

- (a) DIL Limited (CIN: L99999MH1951PLC008485) is a listed public limited company incorporated under the Companies Act, 1913 having its registered office at A-1601, Thane One, 'DIL' Complex, Ghodbunder Road, Majiwade, Thane (W) – 400 610, Maharashtra, India ('DIL'). DIL is holding 1,65,92,536 (91.20%) issued, subscribed and paid-up shares of Fermenta Biotech Limited ('FBL') as on date. DIL, through its substantially owned subsidiary, FBL, is majorly into the business of manufacturing and marketing of chemicals, API, enzymes, pharmaceutical formulations and environmental solution products, through its subsidiary and is also engaged in the business of renting of properties.

### Promoters of DIL:

Sr. No.	Name of Promoters	No. of Shares Held	% of Holding
1	DVK Investments Private Limited	49,44,940	53.91
2	Mr. Krishna Datla	7,96,340	8.68
<b>Total Shareholding</b>		<b>57,41,280</b>	<b>62.59</b>

**Board of Directors & KMPs of DIL:**

Sr. No.	Name of Directors & KMPs	Designation	DIN/PAN
1	Mr. Sanjay Buch	Non Executive Chairman	00391436
2	Mr. Krishna Datla	Managing Director	00003247
3	Mr. Satish Varma	Non Executive Director	00003255
4	Ms. Rajeshwari Datla	Non-Executive Director	00046864
5	Mr. Vinayak Hajare	Independent Director	00004635
6	Mr. Srikant N Sharma	Company Secretary	AIUPS3976R
7	Mr. Sumesh Gandhi	Chief Financial Officer	ADWPG5616K

(b) Mr. Krishna Datla is a Commerce Graduate and has 16 years of experience in developing and building-up the diversified businesses of the Company and its group. Mr. Datla, is Promoter Director of FBL since February 1, 2002 and holds 10,800 (0.06%) issued, subscribed and paid-up shares of FBL as on date.

**BUSINESS OVERVIEW/STRENGTH AND STRATEGY****Overview**

FBL, Transferor Company, is an unlisted public limited company incorporated under the Companies Act, 1956 engaged in the business of manufacturing and marketing of chemicals, active pharmaceutical ingredients ('API'), enzymes, pharmaceutical formulations and environmental solution products. FBL is a subsidiary of DIL, which holds 91.20% of issued, subscribed and paid-up shares of FBL as on date.

**Our Competitive Strengths**

- Among the world's largest Vitamin D3 API makers and leading Phenyramidol manufacturer.
- Among the top pioneering companies to introduce enzymatic antibiotics manufacturing technology
- Among few non-European companies with a CEP accreditation by EDQM for Vitamin D3
- Multi-decades experience
- Globally recognized plants for key products.

**Our Strategies**

- Focused towards expanding the product portfolio in organic/inorganic way
- Investing in technology for optimizing process parameters, moderating costs and increasing efficiency.

Name	Designation	Date of Appointment	Qualification	Age (yrs)
<b>Krishna Vasant Kumar Datla</b>	Director	1st February, 2002	B. Com.	37
<b>Satish Varma Azad Nadimpally</b>	Managing Director	4th October, 2004	Computer Science	48
<b>Gopakumar Gopalan Nair</b>	Independent Director	6th August, 2014	PhD from National Chemical Laboratory (NCL), Diploma in Management & Patent Law and L.L.B.	77
<b>Anupama Datla Desai</b>	Executive Director	29th March, 2007	Post graduate in BIOTECH from Mumbai University and a Science Graduate from Boston College USA	40
<b>Sanjay Ramakant Buch</b>	Independent Director	22nd January, 2010	BA Hons and LL.B.	50

- a) **Mr. Krishna Datla** is a Commerce Graduate and has 16 years of experience in developing and building-up the diversified businesses of the Company and its group. Mr. Datla, is Promoter Director of FBL since February 1, 2002 and holds 10,800 (0.06%) issued, subscribed and paid-up shares of FBL as on date. Other than the Company, he is also a director in DIL Limited, DVK Investments Private Limited, Aegean Properties Limited, G.I. Biotech Private Limited, CC Square Films Limited and Magnolia FNB Private Limited. He is also a member of the following:

Committee(s) in Fermenta Biotech Limited:

Audit Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committees and Nomination and Remuneration Committee; and

Committee(s) in DIL Limited:

Stakeholders Relationship Committee and Corporate Social Responsibility Committee.

- b) **Mr. Satish Varma** is the Managing Director of the Company. He has an extensive and diverse operational, management and legal experience across DIL group of companies. He has been an integral part in framing strategies and management policies of the Company. Other than the Company, he is also a director in DIL Limited, DVK Investments Private Limited, Aegean Properties Limited, G.I. Biotech Private Limited and CC Square Films Limited. He is also a member of the following:

Committee(s) in Fermenta Biotech Limited:

Stakeholders Relationship Committee; and

Committee(s) in DIL Limited:

Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Nomination and Remuneration Committee.

- c) **Dr. Gopakumar G Nair** is a Ph.D. from National Chemical Laboratory (NCL), Pune and has Diploma in Management & Patent Law. Dr. Nair is also a Law (LL.B) graduate from Mumbai University. He is an Intellectual Property Rights Consultant and practicing Patent Attorney. He is also a practicing lawyer specializing in Mediation and Arbitration as well as in licensing and technology transfer. Dr Nair has been associated with pharmaceutical industry for more than four decades as Director, Managing Director & Chairman of various public limited pharmaceutical companies and served Industry Associations in various capacities. Dr. Nair has many articles and publications to his credit, including valid granted Indian patent, as inventor. Other than the Company, he is also a director in Ultramarine & Pigments Limited, Sequent Scientific Limited, Alivira Animal Health Limited and Gnanlex Hermeneutics Private Limited. He is also a member of the Audit Committee and Nomination and Remuneration Committee in Fermenta Biotech Limited.

- d) **Ms. Anupama Datla Desai** is a Post-Graduate in Biotechnology from Mumbai University and Science Graduate from the Boston College, USA. Quality control and implementation of safety policies and procedures across the organization. She is in charge of introducing and implementing new technology platforms into the company and also spearheads the new business development, customer interaction and marketing in India and overseas. Other than the Company, she is also a director in Dupen Laboratories Private Limited and Lacto-Cosmetics (Vapi) Private Limited. She is also a member of the Corporate Social Responsibility Committee in Fermenta Biotech Limited.

- e) **Mr. Sanjay Buch** is B.A (Hon) in Economics, and a law graduate. He is a partner at Crawford Bayley & Company, a respected firm of advocates and solicitors, headquartered in Mumbai. Over the last two decades he has been involved in a wide spectrum of legal work. He specializes in Business Restructuring as well as Mergers and Acquisitions and advises several large domestic and international corporations. He is a Non-Executive Director and member of various committees of the Board of Directors of the Company. Other than the Company; he is also a director in DIL Limited, Convergence Chemicals Private Limited, Indofil Industries Limited, Indo Baijin Chemicals Private Limited and JM Foundation for Excellence In journalism. He is also a member of the Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee in Fermenta Biotech Limited; Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee in DIL Limited; Audit Committee and Stakeholders Relationship Committee in Indofil Industries Limited.

Changes in the Board of Directors in the last three years are provided as follows:

Name	Date of Appointment	Date of Cessation	Reasons
Peter John Bains (Independent Director)	March 19, 2010	March 30, 2018	Resignation
Viswanath Chibrolu (Director)	January 17, 2011	December 14, 2017	Resignation
T. P.Devarajan (Alternate Director to Mr. Viswanath Chibrolu)	March 14, 2011	December 14, 2017	Resignation

#### Shareholding Pattern

Shareholding pattern of the Transferor Company as on the date of the Scheme is as follows:

Category	Name of Equity	Pre-Issue Equity Shareholding		Proposed post-issue shareholding in FBL pursuant to the Scheme	
		No of Equity Shares	%	No. of shares	%
Promoter	Mr. Krishna Datla	10,800	0.06	<b>Not applicable, since the Company would be merged with DIL Limited, there will be no post issue capital.</b>	
	DIL Limited	16,592,626	91.20		
Public	–	15,89,418	8.74		
	<b>Total</b>		<b>100.00</b>		

Shareholding Pattern of the Transferee Company as on March 31, 2018 and the indicative Post-Scheme Shareholding is as under:

Sl. No.	Names	(Pre-Scheme) Pre-merger No. of shares [Face value Rs. 5/- each]	% Holding of Pre-merger	(Post-Scheme) Post-merger No. of Equity shares# [Face value Rs. 5 each]	% Holding of Post-merger
<b>(A)</b>	<b>Promoter &amp; Promoter Group</b>				
1.	Krishna Datla	1,99,085	8.68%	8,00,643	8.16%
2.	DVK Investments Private Limited	12,36,235	53.91%	49,79,611	50.76%
	Sub total	14,35,320	62.59%	57,80,254	58.92%
<b>(B)</b>	<b>Public Shareholders</b>				
	Public	8,57,878	37.41%	40,30,075	41.08%
	Sub total	8,57,878	37.41%	40,30,075	41.08%
	Total (A+B)	22,93,198	100.00%	98,10,329	100.00%

#Comprises of

- (i) shares issued in DIL pursuant to split/ sub-division of shares from face value of Rs. 10 each to face value of Rs. 5 each;
- (ii) bonus equity shares issued in DIL in proportion of 1:1 i.e. 1 new equity share of Rs. 5 each for every 1 existing equity share of Rs. 5 each, and
- (iii) shares to be allotted to FBL shareholders against their shareholding in FBL pursuant to the Scheme in a proportion of 100 (Hundred) equity shares of DIL of Rs. 5 each fully paid up for every 251 (Two Hundred and Fifty-One only) equity shares of FBL of Rs. 10 (Rupees Ten only) each fully paid up.

**Total number of direct subsidiaries and joint ventures of FBL: 2 (subsidiaries)**

Name of the Subsidiary/Joint Venture	Paid-up Equity Capital as on 31st March, 2018	Turnover for the year ended 31st March, 2018	Profit/(Loss) after tax for the year ended 31st March, 2018	Shareholding of FBL in Subsidiary/ Joint Venture	Listing Status
Fermenta Biotech (UK) Limited	£ 2,20,001	Nil	(£1,18,792)	100%	Unlisted
G. I. Biotech Private Limited	Rs. 1,00,000	NIL	(Rs.71139)	62.50%	Unlisted

**List of top 5 largest listed / unlisted group companies as per Part A, Schedule VIII, Regulation 2, Item (IX) (C) (2) SEBI (ICDR) Regulations, 2009**

Listed : DIL Limited

Unlisted : Fermenta Biotech Limited

**FBL's RELATED AUDITED FINANCIALS (Rs. in Lakhs)**

Item	Particulars (Standalone)	FY 2018(a)	FY 2017 (a)	FY 2016	FY 2015	FY 2014
1	Revenue from operations (net)	30048.83	16312.73	14973.46	12925.42	12501.43
2	Net Profit/(Loss) before tax and extraordinary items	9248.38	1271.07	1,617.54	189.40	1063.69
3	Net Profit/(Loss) after tax and extraordinary items	7206.33	1034.29	1,188.92	32.60	796.03
4	Equity Share Capital	1,770.45	1,770.45	1,770.45	1,770.45	1,770.45
5	Reserves and Surplus	15495.77	8272.11	7280.62	6091.70	6070.86
6	Net Worth	17266.22	10042.56	9051.07	7862.15	7841.31
7	Basic Earnings Per Share (in Rs.)	39.61	5.69	6.54	0.18	4.38
8	Diluted Earnings Per Share (in Rs.)	39.61	5.69	6.54	0.18	4.38
9	Return on Net Worth	41.73%	10.30%	13.14%	0.41%	10.15%
10	Net Asset value Per Share	94.91	55.21	49.75	43.22	43.10

**Notes:**

- (a) The information provided under items (1) to (5), (7) and (8) have been taken from Audited Statutory Financial Statements of FBL for the year ended March 31, 2017 and March 31, 2018 prepared in accordance with applicable Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting

Standards) Rules, 2015] (as amended) and other relevant provisions of the Act.

- (b) Audited Statutory Financial Statements for the year ended up to and for March 31, 2016 were prepared in accordance with the accounting principles generally accepted in India, including Accounting Standard specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and other relevant provisions of Companies Act, 2013.
- (c) Net worth (item 6) has been calculated by adding the balance of Equity Share Capital (item 4) and Reserve and Surplus / Other Equity (item 5).
- (d) Return on net worth (%) (item 9) has been calculated by applying the following formula: (Loss)/ Profit after tax (item 3) divided by Net Worth (item 6) and multiplied by 100.
- (e) Net asset value per share (item 10) has been calculated by adding the balances of Equity Share Capital (item 4) and Reserve and Surplus / Other Equity (item 5) and dividing the same by the number of shares outstanding (March 2018: 1,81,92,844, March 2017: 1,81,92,844 and March 2016: 1,81,92,844) as appearing in financial statements (as explained in note (a) above).

#### **BASIS OF ISSUE PRICE**

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N S Kumar & Co., Chartered Accountants, have submitted a Share Exchange Ratio Report dated June 21, 2018 and recommended a fair equity share exchange ratio for the proposed amalgamation of FBL into DIL. As per the said Share Exchange Ratio Report the Share Exchange Ratio has been derived as follows:

- (a) Upon the coming into effect of this Scheme and its consideration thereof, DIL shall without any further application, act or deed, issue and allot ('Share Exchange Ratio'), subject to the provisions of the clause (b) herein below

*"100 (Hundred) equity shares of INR. 10/- (Rupees Ten only) each credited as fully paid-up of the Transferee Company for every 1006 (One Thousand Six) equity shares of INR. 10/- (Rupees Ten only) held in the Transferor Company and whose names are recorded in the register of members on the cut-off date."*

- (b) Subject to members' approval, the Board of directors of the Transferee Company at its meeting held on June 18, 2018 approved: (a) split/sub division of share from face value of INR. 10/- each to face value of INR. 5/- each; and (b) issue of bonus equity shares in the proportion of 1:1, having face value of INR. 5/- each. Accordingly, the number of shares to be issued to the shareholders of the Transferor Company will undergo change as follows ('New Share Exchange Ratio'):

*"100 (Hundred) equity shares of the Transferee Company of INR 5/- (Rupees Five only) each fully paid up for every 251 (Two Hundred and Fifty-One only) equity shares of the Transferor Company of INR. 10/- (Rupees Ten only) each fully paid up."*

*[Note: The provision of (b) above has come to effect as the members of the Transferee Company have on July 25, 2018 approved (i) split/sub division of share from face value of INR. 10/- each to face value of INR. 5/- each; and (ii) issue of bonus equity shares in the proportion of 1:1, having face value of INR. 5/- each by way of postal ballot including e-voting dated July 25, 2018.]*

#### **INTERNAL RISK FACTORS**

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- The Company is exposed to normal industry risk factors, economic cycle and uncertainties in the markets.
- Any Lapse or Qualitative discrepancies may affect the Company's brand.
- Increased competition could affect the Company's realizations and profitability.
- Inability to retain and recruit intellectual talent could affect the Company's competitiveness.
- Unforeseen events can affect the Company's business in certain geographies.
- Inability to scale output can limit the Company's global market share.
- Risk of leakage of key information, spam or malware can affect the normal running of the business.
- Natural calamity at the plant can stop the production for a long period of time.

## **SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION**

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- A. Total Number of outstanding litigations against FBL and amount involved – No material litigations as on date.
- B. Brief details of top 5 material outstanding litigations against FBL and amount involved:  
No material outstanding litigations against FBL as on the date.
- C. Regulatory Action and disciplinary action taken by SEBI or stock exchanges against the Promoters Group Companies in last 5 financial years including outstanding action, if any – Nil
- D. Brief details of outstanding criminal proceedings against Promoters – Nil

## **RATIONALE AND BENEFITS OF THE COMPOSITE SCHEME OF ARRANGEMENT**

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The Transferee Company holds 91.20% equity stake in the Transferor Company. In order to consolidate and effectively manage the Transferor Company and the Transferee Company in a single entity and to achieve inter-alia economies of scale and efficiency, the merger is being undertaken. The amalgamation of the Transferor Company with the Transferee Company would inter alia have the following benefits:

- (a) Amalgamation to be value accretive to the shareholders of the Transferee Company as the shareholders would have direct access to the core business of the Transferor Company;
- (b) Greater integration and greater financial strength and flexibility for the amalgamated entity, which would result in maximising overall shareholder value;
- (c) Greater efficiency in cash management of the group and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize shareholder value;
- (d) Improved organizational capability and leadership, arising from the pooling of human capital having diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry;
- (e) Cost savings are expected to flow from more focused operational efforts, rationalization, standardization and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses;
- (f) Reduction in the multiplicity of legal and regulatory compliances required at present to be separately carried out by the Transferor Company and the Transferee Company;
- (g) To optimally leverage the larger assets base and cash flow of the amalgamated entity;

## **OTHER REGULATORY AND STATUTORY DISCLOSURES**

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- Authority for the issue – The Scheme was approved by the Board of Directors of the Company in their meeting held on June 21, 2018. The same is subject to statutory approvals including from the SEBI, Shareholders, Stock Exchanges, National Company Law Tribunal, Mumbai Bench, Regional Director, Registrar of Companies & Official Liquidator.
- Expert Opinion obtained, if any – Share Exchange Report and Fairness Opinion
- Material Contracts and Documents for Inspection:
  1. Memorandum & Articles of Association of the Company
  2. Financial Statements & Shareholding of Company for the period ended March 31, 2018
  3. Draft Scheme of Amalgamation
  4. Share Exchange Ratio Report and Fairness Opinion pursuant for the Scheme
  5. Networth Certificate pre and post Scheme
- Time and Place of Inspection of material contracts – Copies of the abovementioned contracts and also the documents for the inspection referred to hereunder, may be inspected at FBL's Registered Office situated at A-1501, Thane One, DIL Complex, Majiwade, Thane, West, 400610 between 10:00 a.m. and 5:00 p.m. on all working days (Monday to Friday) from the date of this Abridged Prospectus until the listing approval.

## DECLARATION BY THE COMPANY

---

We hereby certify and declare that all the relevant provisions of the Companies Act, 2013 and the guidelines issued by the Government or the regulations, rules or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Abridged Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SEBI Act or rules or regulations made or guidelines issued thereunder, as the case may be. We further certify that all disclosures made in Abridged Prospectus are true and correct.

The Transferee Company provides an undertaking that at any given time, there shall be only one denomination for the equity shares of the issuer and it shall comply with such disclosure and accounting norms specified by the Board from time to time.

Place : Thane

**For Fermenta Biotech Limited**

Date : September 11, 2018

**Varadvinayak Khambete**

**Company Secretary**

Membership No. A33861



# KEYNOTE



Date: 11<sup>th</sup> September 2018

The Board of Directors  
**Fermenta Biotech Limited**  
A -1501, Thane One, DIL Complex,  
Ghodbunder Road, Majiwade,  
Thane (West) 400 610, Maharashtra,  
India Thane MH 400610 IN

Dear Sir/Madam,

**Ref: Abridged Prospectus of Fermenta Biotech Limited a subsidiary of DIL Limited**

**Subject: Due Diligence Certificate for the Abridged Prospectus of Fermenta Biotech Limited**

Scheme of Amalgamation under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 to amalgamate Fermenta Biotech Limited ("FBL") with DIL limited ("DIL") and their respective shareholders and creditors in terms of requirement specified in SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("SEBI Circular").

This is with reference to our engagement, for *inter-alia* certifying the accuracy and adequacy of disclosures pertaining to FBL made in the abridged prospectus dated 11<sup>th</sup> September 2018, prepared by the Company to be sent to the shareholders and creditors (both secured as well as unsecured) of the Company pursuant to the Scheme.

We, as SEBI registered Merchant Banker(s) state and confirm as follows in respect of above proposed Scheme:

- (1) We have examined various documents including those relating to outstanding litigation, claims and regulatory actions and other material in connection with the finalization of the Abridged Prospectus as mentioned above;
- (2) On the basis of such examination and the discussions with FBL, its directors and other officers, other agencies, and independent verification of the statements concerning the objects of the Scheme and the contents of the documents and other papers furnished by FBL, WE CONFIRM that:
  - (a) the Abridged Prospectus filed with the Board is in conformity with the documents, materials and papers relevant to the Scheme;
  - (b) all the legal requirements relating to the Scheme as also the regulations guidelines, instructions, etc. framed/issued by the Board, the Central Government and any other competent authority in this behalf have been duly complied with; and



**CERTIFIED TRUE COPY**

**For FERMENTA BIOTECH LIMITED**

Varadvinayak Khambete  
Company Secretary

Page 1 of 2

**Keynote Corporate Services Limited**

The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400028  
Tel.: 91 22 3026 6000 • Fax: 91 22 3026 6088 Email: info@keynoteindia.net • Website: www.keynoteindia.net  
CIN-L67120MH1993PLC072407

## KEYNOTE

- (c) the disclosures made in the Abridged Prospectus are true, fair and adequate to enable the investors to make a well informed decision as to the proposed Scheme and such disclosures are in accordance with the requirements of the Companies Act, 2013, Securities and Exchange Board of India (the "SEBI") Circular Number CFD/DIL3/CIR/2017/21 dated March 10, 2017, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and other applicable provisions / legal requirements.

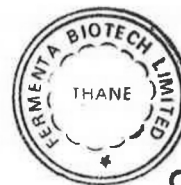
The above confirmation is based on the information furnished and explanations provided to us by the management of FBL assuming the same is complete and accurate in all material aspects on an as is basis. We have relied upon financials, information and representations furnished to us on an as is basis and have not carried out an audit of such information. Our scope of work does not constitute an audit of financial information and accordingly we are unable to and do not express an opinion on the fairness of any such financial information referred to in the Abridged Prospectus. This certificate is based on the information as at September 11<sup>th</sup>, 2018. This certificate is a specific purpose certificate issued in terms of the SEBI Circular and hence, it should not be used for any other purpose or transaction. The certificate is not, nor should it be construed to be, a certification of compliance of the Scheme with the provisions of the applicable Law including company, taxation and securities markets related laws or as regards to any legal implications or issues arising thereon, except for the purpose expressly mentioned herein.

We express no opinion whatsoever and make no recommendation at all as to the Company's underlying decision to effect the Scheme or as to how the holders of equity shares are secured or unsecured creditors of Company should vote at their respective meetings held in connection with the Proposed Scheme. We do not express and should not be deemed to have expressed any views on any other terms of the Scheme or its success. We also express no opinion, and accordingly, accept no responsibility for or as to the price at which the equity shares of Company will trade following the Scheme or as to the financial performance of FBL, DIL following the consummation of the Scheme. We express no opinion whatsoever and make no recommendations at all (and accordingly take no responsibility) as to whether shareholders/ investors should buy, sell or hold any stake in the Company or any of its related parties (holding company/ subsidiaries/ associates etc.)

For **Keynote Corporate Services Limited**




Name: **Mr. Uday Patil**  
Designation: **Director – Investment Banking**  
SEBI Registration Number: **INM000003606**



**CERTIFIED TRUE COPY**

For **FERMENTA BIOTECH LIMITED**

  
Varadvinayak Khambete  
Company Secretary

Page 2 of 2

**Keynote Corporate Services Limited**

The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400028  
Tel.: 91 22 3026 6000 • Fax: 91 22 3026 6088 Email: info@keynoteindia.net • Website: www.keynoteindia.net  
CIN-L67120MH1993PLC072407

DCS/AMAL/BA/R37/1328/2018-19

November 6, 2018

The Company Secretary,  
**DIL LTD.**  
A-1601, Thane One, DIL Complex, Ghodbunder Road, Majiwade,  
Thane, Maharashtra, 400610

Sir,

**Sub: Observation letter regarding the Draft Scheme of Amalgamation of Fermenta Biotech Limited and DIL Limited and their respective shareholders.**

We are in receipt of Draft Scheme of Amalgamation of Fermenta Biotech Limited and DIL Limited and their respective shareholders filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated November 5, 2018 has inter alia given the following comment(s) on the draft scheme of arrangement:

- “Company shall ensure that the proposed scheme is acted upon only if the majority votes cast by the public shareholders are in favour of the proposal.”
- “Company shall ensure that additional information, if any, submitted by the Company, after filing the scheme with the Stock Exchange, and from the date of receipt of this letter is displayed on the websites of the listed company.”
- “Company shall duly comply with various provisions of the Circulars.”
- “Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.”
- “It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.”

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT. Further, where applicable in the explanatory statement of the notice to be sent by the company to the

(2)

shareholders, while seeking approval of the scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,

  
**Nitinkumar Pujari**  
Senior Manager

## ANNEXURE 9

DIL LIMITED

CIN:L99999MH1951PLC008485

STANDALONE BALANCE SHEET AS AT MARCH 31, 2019

	As at March 31, 2019	As at March 31, 2018
	₹ in Lakhs	₹ in Lakhs
<b>ASSETS</b>		
<b>Non-current assets</b>		
a) Property, plant and equipment	1,080.51	1,177.82
b) Investment property	8,177.20	8,409.48
c) Intangible assets	1.36	2.12
d) Investments		
i) Investments in equity instruments of subsidiaries	10,032.20	10,032.20
ii) Investments in associates	-	700.00
iii) Investments in joint ventures	-	-
(e) Financial assets		
i) Investments	57.67	7.57
ii) Share application money	597.00	906.86
iii) Loans	0.32	31.85
iv) Other financial assets	175.19	222.89
f) Deferred tax assets	2,297.83	-
g) Non-current tax assets (Net)	328.92	98.32
h) Other non-current assets	169.17	161.53
<b>Total non-current assets</b>	<b>22,917.37</b>	<b>21,750.64</b>
<b>Current assets</b>		
a) Financial assets		
i) Investments	114.79	105.89
ii) Trade receivables	25.04	28.20
iii) Cash and cash equivalents	111.46	134.89
iv) Bank balances other than (iii) above	15.25	22.26
v) Loans	30.03	8.30
vi) Other financial assets	29.75	69.19
b) Other current assets	79.96	140.29
<b>Total current assets</b>	<b>406.28</b>	<b>509.02</b>
<b>TOTAL ASSETS</b>	<b>23,323.65</b>	<b>22,259.66</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
a) Equity share capital	458.64	229.32
b) Other equity	5,525.13	6,242.59
<b>Total equity</b>	<b>5,983.77</b>	<b>6,471.91</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
a) Financial liabilities		
i) Borrowings	12,706.30	13,201.79
ii) Other financial liabilities	353.32	533.73
b) Provisions	189.23	71.89
c) Other non-current liabilities	871.20	171.18
<b>Total non-current liabilities</b>	<b>14,120.05</b>	<b>13,978.59</b>
<b>Current liabilities</b>		
a) Financial liabilities		
i) Borrowings	654.93	572.50
ii) Trade payables		
A) Total outstanding dues of micro and small enterprises	-	-
B) Total outstanding dues of creditors other than micro and small enterprises	265.34	179.64
iii) Other financial liabilities	1,680.15	897.54
b) Provisions	17.33	16.48
c) Other current liabilities	602.08	143.00
<b>Total current liabilities</b>	<b>3,219.83</b>	<b>1,809.16</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>23,323.65</b>	<b>22,259.66</b>

For DELOITTE HASKINS & SELLS LLP For and on behalf of the Board of Directors of DIL Limited

Chartered Accountants

**Rajesh K. Hiranandani**  
Partner

**Sanjay Buch**  
Chairman

**Krishna Datla**  
Managing Director

**Rajeshwari Datla**  
Director

**Satish Varma**  
Director

**Vinayak Hajare**  
Director

**Sumesh Gandhi**  
Chief Financial Officer

Mumbai, May 24, 2019

**Dr Gopakumar Nair**  
Additional Director

**DIL LIMITED**

CIN:L99999MH1951PLC008485

**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019**

	Year Ended March 31, 2019 ₹ in Lakhs	Year Ended March 31, 2018 ₹ in Lakhs
<b>Income:</b>		
Revenue from operations	1,935.41	1,250.83
Other income	32.26	37.99
<b>Total Income</b>	<b>1,967.67</b>	<b>1,288.82</b>
<b>Expenses:</b>		
Employee benefits expense	567.37	577.26
Depreciation and amortisation expense	378.53	382.64
Finance costs	1,596.08	1,063.43
Other expenses	1,990.59	1,611.96
<b>Total expenses</b>	<b>4,532.57</b>	<b>3,635.29</b>
<b>Loss before tax</b>	<b>(2,564.90)</b>	<b>(2,346.47)</b>
<b>Tax expense:</b>		
Current tax	-	-
Deferred tax charge/(credit)	(2,297.83)	69.00
<b>Total tax expense</b>	<b>(2,297.83)</b>	<b>69.00</b>
<b>Loss for the year</b>	<b>(267.07)</b>	<b>(2,415.47)</b>
<b>Other comprehensive income</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Remeasurements of defined benefit plan	(85.39)	(5.29)
Fair value change in investment in equity instruments measured at fair value through other comprehensive income	2.57	1.12
Total other comprehensive income / (loss) for the year	(82.82)	(4.17)
<b>Total comprehensive loss for the year</b>	<b>(349.89)</b>	<b>(2,419.64)</b>
<b>Earnings per equity share (nominal value per equity share)</b>		
Basic (in ₹)	(2.91)	(26.33)
Diluted (in ₹)	(2.91)	(26.33)

For DELOITTE HASKINS &amp; SELLS LLP

For and on behalf of the Board of Directors of DIL Limited

Chartered Accountants

**Rajesh K. Hiranandani**  
Partner  
Mumbai, May 24, 2019

**Sanjay Buch**  
Chairman

**Krishna Datla**  
Managing Director

**Rajeshwari Datla**  
Director

**Satish Varma**  
Director

**Vinayak Hajare**  
Director

**Sumesh Gandhi**  
Chief Financial Officer

**Srikant N. Sharma**  
Company Secretary

**Dr Gopakumar Nair**  
Additional Director

Thane, May 24, 2019

**DIL LIMITED**  
CIN:L99999MH1951PLC008485  
**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019**

PARTICULARS	₹ In Lakhs	
	Year ended March 31, 2019	Year ended March 31, 2018
<b>A. Cash flows from operating activities</b>		
Loss before tax	(2,564.90)	(2,346.47)
Adjustments for:		
Depreciation and amortisation expense	378.53	382.64
Profit/Loss on sale of property, plant and equipment	(4.94)	5.70
Provision for impairment of non-current investment in a associate	863.85	588.00
Loss on sale of shares of an associate	61.48	-
Net gain on fair valuation of investments through profit and loss	(8.90)	(5.45)
Provision for share of loss in a joint venture in excess of cost of investment	-	13.02
Finance costs	1,596.08	1,063.43
Interest income	(18.30)	(13.10)
Dividend income	(0.08)	(0.05)
Provision for doubtful debts and advances	37.00	5.52
<b>Operating loss before working capital changes</b>	<b>339.82</b>	<b>(306.76)</b>
Movements in working capital :		
Decrease in trade receivables	3.16	6.18
Decrease/(increase) in inventories	-	-
Decrease in other assets	68.82	160.59
Increase in trade payables	85.68	103.50
Increase/(decrease) in provisions	32.80	(17.70)
Increase in other liabilities	1,259.07	256.39
	<b>1,789.35</b>	<b>202.20</b>
Income taxes paid	(230.60)	(69.92)
<b>Net cash generated from operations (A)</b>	<b>1,558.75</b>	<b>132.28</b>
<b>B. Cash flows from investing activities</b>		
Payments for purchase of property, plant and equipment, investment property including capital work-in-progress and intangible assets	(45.28)	(452.85)
Proceeds from disposal of property, plant and equipment	12.23	5.23
Interest received	11.98	6.75
Purchase of investments		
In a subsidiary	-	(8,292.95)
In a joint venture	-	(58.00)
Proceeds from sale of investments		
In a associate	37.00	-
Dividend received	0.08	0.05
Bank balances not considered as cash and cash equivalents	7.01	(107.26)
<b>Net cash generated/(used in) from investing activities (B)</b>	<b>23.02</b>	<b>(8,899.03)</b>
<b>C. Cash flows from financing activities</b>		
Proceeds from borrowings	582.44	14,592.50
Repayment of borrowings	(464.72)	(4,744.99)
Finance costs	(1,577.68)	(944.69)
Dividend paid	(121.67)	(60.07)
Dividend distribution tax paid	(23.57)	(11.67)
<b>Net cash (used in) / generated from financing activities (C)</b>	<b>(1,605.20)</b>	<b>8,831.08</b>
<b>Net increase / (decrease) in cash and cash equivalents (A)+(B)+(C)</b>	<b>(23.43)</b>	<b>64.33</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>134.89</b>	<b>70.56</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>111.46</b>	<b>134.89</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	0.29	1.65
Balances with banks in current account	111.17	133.24
<b>Total cash and cash equivalents</b>	<b>111.46</b>	<b>134.89</b>

For DELOITTE HASKINS & SELLS LLP  
Chartered Accountants

Rajesh K. Hiranandani  
Partner  
Mumbai, May 24, 2019

For and on behalf of the Board of Directors of DIL Limited

Sanjay Buch  
Chairman

Krishna Datla  
Managing Director

Rajeshwari Datla  
Director

Satish Varma  
Director

Vinayak Hajare  
Director

Sumesh Gandhi  
Chief Financial Officer

Srikant N. Sharma  
Company Secretary

Dr Gopakumar Nair  
Additional Director

Thane, May 24, 2019

## ANNEXURE 10

**Fermenta Biotech Limited**  
CIN : U99999MH1986PLC134021  
Standalone Balance Sheet as at March 31, 2019

**fbl**

( ₹ in Lakhs )

	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>		
<b>Non-current assets</b>		
(a) Property, plant and equipment	7,795.47	7,462.73
(b) Capital work-in-progress	2,072.16	250.06
(c) Intangible assets	228.83	208.92
(d) Intangible assets under development	85.99	99.50
(e) Investments in subsidiaries	35.97	38.07
(f) Financial assets		
(i) Investments	4.11	4.11
(ii) Loans	25.00	6.26
(iii) Other financial assets	455.69	426.04
(g) Non-current tax assets (Net)	3.29	8.03
(h) Other non-current assets	2,810.00	446.90
<b>Total non-current assets</b>	<b>13,516.51</b>	<b>8,950.62</b>
<b>Current assets</b>		
(a) Inventories	8,766.53	5,117.88
(b) Financial assets		
Investments		
(i) Trade receivables	6,572.33	6,863.02
(ii) Cash and cash equivalents	3,924.80	2,122.68
(iii) Bank balances other than (ii) above	5,021.67	930.58
(iv) Loans	1,150.23	1.09
(v) Other financial assets	229.75	22.57
(c) Other current assets	3,856.26	2,623.31
<b>Total current assets</b>	<b>29,521.57</b>	<b>17,681.14</b>
<b>TOTAL ASSETS</b>	<b>43,038.08</b>	<b>26,631.76</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity share capital	1,770.45	1,770.45
(b) Other equity	26,784.87	15,495.77
<b>Total equity</b>	<b>28,555.32</b>	<b>17,266.22</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
(a) Financial liabilities		
Borrowings	814.64	335.00
Other financial liabilities	-	-
(b) Provisions	441.72	201.09
(c) Deferred tax liabilities (Net)	366.73	219.70
<b>Total non-current liabilities</b>	<b>1,623.09</b>	<b>755.79</b>
<b>Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	5,366.32	2,413.01
(ii) Trade payables		
(A) Total outstanding dues of micro and small enterprises and;	97.89	38.33
(B) Total outstanding dues of creditors other than micro and small	4,018.17	3,847.30
(iii) Other financial liabilities	2,572.62	1,443.14
(b) Provisions	39.95	30.20
(c) Current tax liabilities (Net)	512.51	376.06
(d) Other current liabilities	252.21	461.70
<b>Total current liabilities</b>	<b>12,859.67</b>	<b>8,609.73</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>43,038.08</b>	<b>26,631.76</b>

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

**For and on behalf of the Board of Directors of**  
**Fermenta Biotech Limited**

**Rajesh K. Hiranandani**  
Partner

**Sanjay Buch**  
Chairman

**Satish Varma**  
Managing Director

**Krishna Datla**  
Director

**Anupama Datla Desai**  
Executive Director

**Gopakumar Nair**  
Director

**Amol Lone**  
Chief Financial Officer

**Varadvinayak Khambete**  
Company Secretary

Thane, May 24, 2019

Mumbai, May 24, 2019



**Fermenta Biotech Limited**  
CIN : U99999MH1986PLC134021  
**Standalone Statement of Profit and Loss for the year ended March 31, 2019**



( ₹ in Lakhs )

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Income</b>		
Revenue from operations	38,925.51	29,202.00
Other income	1,206.61	846.83
<b>Total income</b>	<b>40,132.12</b>	<b>30,048.83</b>
<b>Expenses</b>		
Cost of materials consumed	10,320.06	8,490.24
Purchases of stock-in-trade	187.54	28.80
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(1,282.35)	(538.92)
Excise duty on sale of goods	-	30.79
Employee benefits expense	4,750.43	3,405.77
Finance costs	469.23	299.95
Depreciation and amortisation expense	806.79	770.49
Other expenses	10,203.77	8,313.33
<b>Total expenses</b>	<b>25,455.47</b>	<b>20,800.45</b>
<b>Profit before tax</b>	<b>14,676.65</b>	<b>9,248.38</b>
<b>Tax expense:</b>		
(1) Current tax	3,192.21	2,104.43
(2) Deferred tax	182.36	(62.38)
<b>Total tax expense</b>	<b>3,374.57</b>	<b>2,042.05</b>
<b>Profit for the year</b>	<b>11,302.08</b>	<b>7,206.33</b>
<b>Other comprehensive income</b>		
Items that will not be reclassified to profit or loss		
(i) Remeasurements of defined benefit plan	(101.11)	10.50
(ii) Income tax relating to remeasurement of defined benefit plan	35.33	(3.63)
<b>Total other comprehensive income / (loss) for the year</b>	<b>(65.78)</b>	<b>6.87</b>
<b>Total comprehensive income for the year</b>	<b>11,236.30</b>	<b>7,213.20</b>
<b>Earnings per equity share (nominal value per equity share ₹ 10 each)</b>		
Basic (in ₹)	<b>63.84</b>	* <b>40.70</b>
Diluted (in ₹)	63.83	* <b>40.70</b>

\*Restated

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

**For and on behalf of the Board of Directors of  
Fermenta Biotech Limited**

**Rajesh K. Hiranandani**  
Partner

**Sanjay Buch**  
Chairman

**Satish Varma**  
Managing Director

**Krishna Datla**  
Director

**Anupama Datla Desai**  
Executive Director

**Gopakumar Nair**  
Director

**Amol Lone**  
Chief Financial Officer

**Varadvinayak Khambete**  
Company Secretary

Mumbai, May 24, 2019

Thane, May 24, 2019

	Year ended March 31, 2019	Year ended March 31, 2018
<b>Cash flows from operating activities</b>		
Profit before tax as per Statement of profit and loss	14,676.65	9,248.38
<i>Adjustments for :</i>		
Depreciation and amortisation expense	806.79	770.49
Net unrealised foreign exchange gain	(137.55)	(240.69)
Loss / (Profit) on sale of property, plant and equipment (Net)	62.67	(86.12)
Allowance for doubtful debts and advances (Net)	67.58	449.87
Trade receivables, loans and advances written off (Net)	27.39	-
Impairment of non-current investment in a subsidiary	2.10	146.55
Finance costs	469.23	299.95
Share based payments to employees	52.80	-
Dividend income	(0.30)	(0.24)
Interest income	(402.09)	(32.26)
<b>Operating profit before working capital changes</b>	<b>15,625.27</b>	<b>10,555.93</b>
<b>Movements in working capital :</b>		
Increase in trade payables	247.02	1,188.37
Increase in provisions	149.25	57.30
Increase in other liabilities	503.38	1,359.61
Increase in inventories	(3,648.65)	(1,243.29)
(Increase) / decrease in trade receivables	261.37	(2,552.56)
Increase in other assets	(2,620.47)	(2,123.86)
Cash generated from operations	10,517.17	7,241.51
Income taxes paid (Net of refunds)	(3,051.02)	(1,757.64)
<b>Net cash generated by operating activities (A)</b>	<b>7,466.15</b>	<b>5,483.86</b>
<b>Cash flows from investing activities</b>		
Payments for purchase of property, plant and equipment (Including capital work-in-progress, intangible assets and intangible assets under development)	(3,481.16)	(1,257.91)
Proceeds on sale of property, plant and equipment	41.65	165.97
Inter corporate deposits given	(1,150.00)	-
Loan given	(25.00)	-
Deposits with banks not considered as cash and cash equivalents (Net)	(4,091.09)	(776.87)
Deposit with financial institution	(300.00)	-
Interest received	281.35	10.92
Dividend received	0.30	0.24
<b>Cash flows from financing activities</b>		
Proceeds from long term borrowings	817.95	28.00
Repayment of long term borrowings	(295.19)	(339.54)
Net proceeds / (repayment) of short term borrowings	2,769.88	(1,008.94)
Finance costs	(465.10)	(297.55)
<b>Net cash generated from / (used in) financing activities (C)</b>	<b>2,827.54</b>	<b>(1,618.03)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A)+(B)+(C)</b>	<b>1,569.74</b>	<b>2,008.19</b>
Cash and cash equivalents at the beginning of the year	2,122.68	114.49
<b>Cash and cash equivalents at the end of the year</b>	<b>3,692.42</b>	<b>2,122.68</b>
Cash in hand	3.05	3.24
Balances with banks	1,022.69	1,113.30
Deposits with original maturity of less than 3 months	2,899.06	1,006.14
Effect of exchange changes on the balances of cash and cash equivalents held in foreign currencies	1.86	-
Cash and cash equivalents	3,926.66	2,122.68
Cash credit facilities included under loans repayable on demand	(234.24)	-

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

**For and on behalf of the Board of Directors of  
Fermenta Biotech Limited**

**Rajesh K. Hiranandani**  
Partner

**Sanjay Buch**  
Chairman

**Satish Varma**  
Managing Director

**Krishna Datla**  
Director

**Anupama Datla Desai**  
Company Secretary  
Thane , May 24, 2019

**Gopakumar Nair**  
Director

**Amol Lone**  
Chief Financial Officer

Mumbai, May 24, 2019

## ANNEXURE 11



CIN : L99999MH1951PLC008485

Regd. Office : A-1601, Thane One, DIL Complex, Ghodbunder Road, Majiwade, Thane (West) 400 610, Maharashtra, India  
Tel : +91-22-67980888, • Fax : +91-22-67980899, • Email : contact@dil.net, • Website : www.dil.net

### Complaint Report

Details of complaints, if any, received from '12<sup>th</sup> September, 2018' to '2<sup>nd</sup> October, 2018' for the proposed Scheme of Amalgamation of Fermenta Biotech Limited (the "Transferor Company") and DIL Limited (the "Transferee Company" / "Applicant Company") and their respective shareholders, under sections 230 to 232 of the Companies Act, 2013.

#### Part A

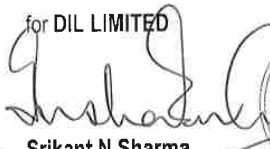

Sr. No.	Particulars	Number
1.	Number of complaints received directly.	0
2.	Number of complaints forwarded by Stock Exchange.	0
3.	Total number of complaints / comments received (1+2).	0
4.	Number of complaints resolved.	0
5.	Number of complaints pending.	0

#### Part B

Sr. No.	Name of Complainant	Date of Complaint	Status (Resolved / Pending)
1.	N.A.	N.A.	N.A.
2.	N.A.	N.A.	N.A.
3.	N.A.	N.A.	N.A.
4.	N.A.	N.A.	N.A.
5.	N.A.	N.A.	N.A.

Yours faithfully,

for DIL LIMITED

**Srikant N Sharma**  
**Company Secretary**

CS Membership No: F3617

A-1601, Thane One, DIL Complex, Ghodbunder Road, Majiwade, Thane (W) 400610

Date: October 8, 2018.

Place: Thane.

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL  
BENCH AT MUMBAI  
COMPANY SCHEME APPLICATION NO. 1394 OF 2018  
IN THE MATTER OF THE COMPANIES ACT, 2013;  
AND**

**IN THE MATTER OF APPLICATION UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013 AND OTHER  
APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013;**

**AND**

In the matter of **DIL Limited**;

**AND**

In the matter of Scheme of Amalgamation of Fermenta Biotech Limited (the Transferor Company) with DIL Limited (the Transferee Company) and their respective shareholders.

**DIL Limited**

CIN: L99999MH1951PLC008485

Company incorporated under the Companies Act, 1913 having its registered office at  
A-1601, Thane One, 'DIL' Complex, Ghodbunder Road, Majiwade,  
Thane (West) – 400 610, Maharashtra, India

**.....the Transferee Company**

**PROXY FORM**

Name of the secured creditor(s) : .....

Registered address: .....

E-mail ID: .....

Reg. Vendor No.: .....

I/We, being the secured creditor(s) of DIL Limited, hereby appoint:

1. Name: .....

Address: .....

E-mail ID: ..... Signature : ..... or failing him

2. Name: .....

Address: .....

E-mail ID: ..... Signature: ..... or failing him

3. Name: .....

Address: .....

E-mail ID: ..... Signature: ..... or failing him

as my/our Proxy to attend and vote for me/us and on my/our behalf at the Meeting of the Secured Creditors convened by the Hon'ble National Company Law Tribunal Bench at Mumbai to be held at A-1601, Thane One, 'DIL' Complex, Ghodbunder Road, Majiwade, Thane (West) – 400 610, Maharashtra, India on Monday, July 8, 2019, at 03.00 p.m. (15.00 hours (IST) and at any adjournment or adjournments thereof in respect of such resolution as is indicated below:

Resolution No.	Resolution
1.	Approval for the Scheme of Amalgamation of Fermenta Biotech Limited (the Transferor Company) with DIL Limited (the Transferee Company) and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

Signed this .....day of ....., 2019.

Affix Re.1  
revenue  
stamp

Signature of the Secured Creditor(s) .....

(Signature across the stamp)

Signature of the Proxy Holder(s) .....

**Notes:**

1. THE SECURED CREDITOR ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE THE SECURED CREDITOR OF THE COMPANY.
2. This proxy form in order to be effective should be duly completed and deposited at the registered office of the Company at A-1601, Thane One, 'DIL' Complex, Ghodbunder Road, Majiwade, Thane (West) – 400 610, Maharashtra, India, not later than 48 (forty eight) hours before the scheduled time of the commencement of the Meeting.
3. All alterations in the proxy form should be initialed by the secured creditor.
4. Please affix appropriate revenue stamp before putting signature.
5. No person shall be appointed as a proxy who is a minor.
6. For the Resolution, Explanatory Statement and Notes, please refer to the Notice of the Meeting of the Secured Creditors of the Company.

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL  
BENCH AT MUMBAI  
COMPANY SCHEME APPLICATION NO. 1394 OF 2018**

**IN THE MATTER OF THE COMPANIES ACT, 2013;  
AND**

**IN THE MATTER OF APPLICATION UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013 AND OTHER  
APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013;**

**AND**

In the matter of **DIL Limited**;

**AND**

In the matter of Scheme of Amalgamation of Fermenta Biotech Limited (the Transferor Company) with DIL Limited (the Transferee Company) and their respective shareholders.

**DIL Limited**

CIN: L99999MH1951PLC008485

Company incorporated under the Companies Act, 1913 having its registered office at  
A-1601, Thane One, 'DIL' Complex, Ghodbunder Road, Majiwade,  
Thane (West) – 400 610, Maharashtra, India

**.....the Transferee Company**

**ATTENDANCE SLIP**

**MEETING CONVENED BY THE NATIONAL COMPANY LAW TRIBUNAL OF THE SECURED CREDITORS ON MONDAY, JULY 8, 2019 at 03.00 p.m. (15.00 hours) (IST)**

I/We hereby record my/our presence at the Meeting of the Secured Creditors of the Company, convened pursuant to an Order dated June 6, 2019 of Hon'ble National Company Law Tribunal Bench at Mumbai at Thane One, 'DIL' Complex, Ghodbunder Road, Majiwade, Thane (West) – 400 610, Maharashtra, India on Monday, July 8, 2019 at 03.00 p.m (15.00 hours) (IST)

Name and address of the equity shareholder .....

(IN BLOCK LETTERS): .....

.....

Signature: .....

Reg. Vendor No.: .....

Name of the Proxy\* .....

(IN BLOCK LETTERS): .....

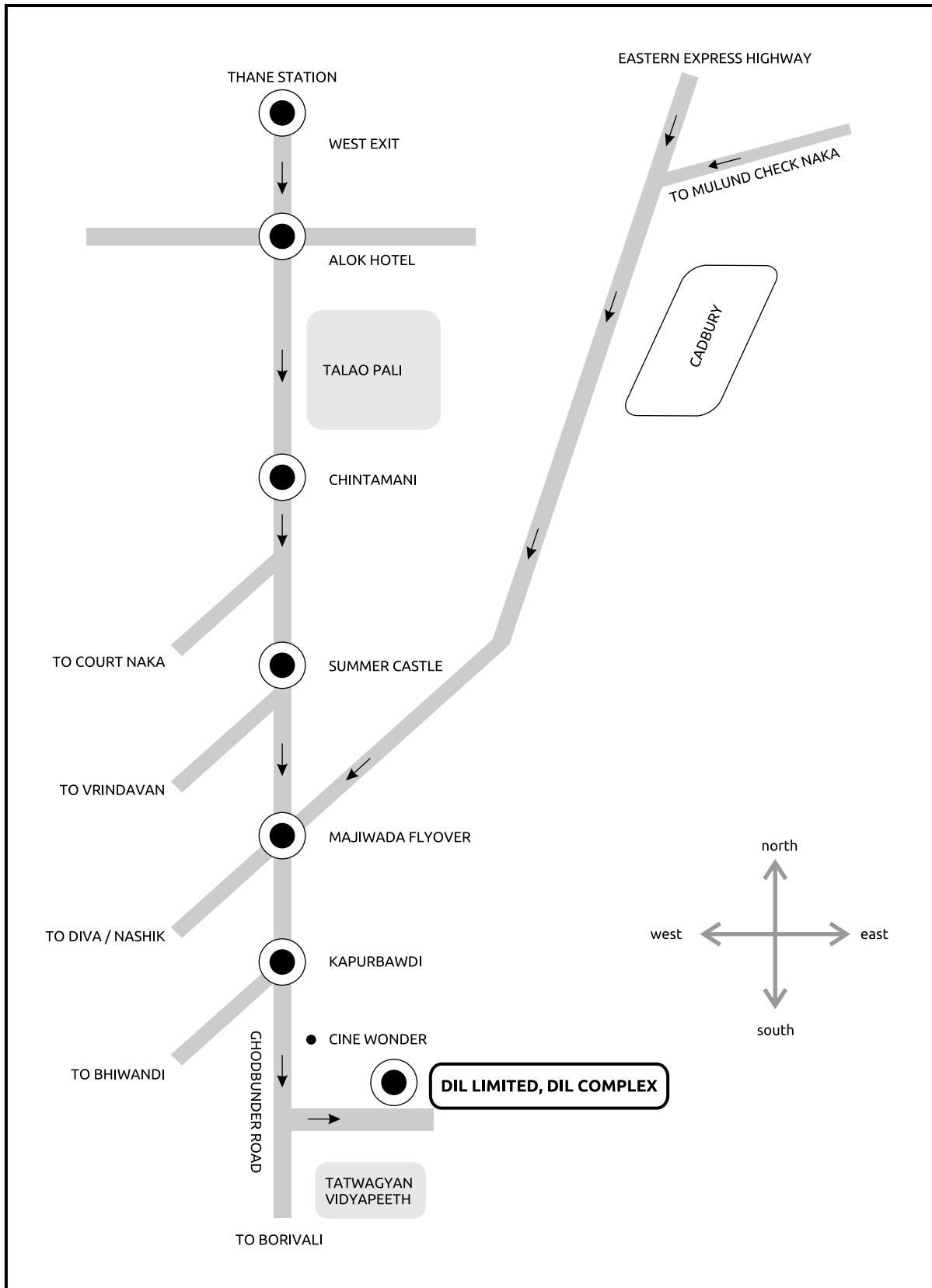
Signature: .....

\* (To be filled in by the Proxy in case he/she attends instead of the secured creditor).

**Notes:**

1. Only Secured Creditor/Proxy holder can attend the Meeting.
2. Please complete the Regd. Vendor No. and name of the Secured Creditor /Proxy holder sign this Attendance Slip and hand it over, duly signed, at the entrance of the Meeting Hall.
3. The Secured Creditor /Proxy holder attending the meeting should bring copy of the Notice for reference at the meeting.

# DIL Limited - Creditors' Meeting Roadmap



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## DIL LIMITED

CIN:L99999MH1951PLC008485

**Registered Office:** A-1601, Thane One, 'DIL' Complex, Ghodbunder Road, Majiwade, Thane (W) – 400 610, Maharashtra, India. Tel : +91-022-67980888/800 • E-mail: contact@dil.net • Website: www.dil.net

### MEETING OF THE UNSECURED CREDITORS OF DIL LIMITED

(convened pursuant to an Order dated 6th day of June, 2019 passed by the National Company Law Tribunal, Bench at Mumbai)

#### MEETING :

<b>Day</b>	Monday
<b>Date</b>	8th day of July, 2019
<b>Time</b>	4.00 p.m. (16.00 hours) (IST)
<b>Venue</b>	A-1601, Thane One, DIL complex, Majiwade, Ghodbunder Road, Thane (West) – 400 610, Maharashtra India

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2.	Explanatory Statement under Sections 230(3), 232(1), 232 (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.	5
3.	<b>Annexure 1</b> Scheme of Amalgamation of Fermenta Biotech Limited (the Transferor Company) with DIL Limited (The Transferee Company) and their respective shareholders under Sections 230-232 of the Companies Act, 2013.	16
4.	<b>Annexure 2</b> A copy of the Valuation Report dated 21 <sup>st</sup> June, 2018 of N S Kumar & Co., Independent Chartered Accountants, describing the methodology adopted by them in arriving at the share exchange ratio.	35
5.	<b>Annexure 3</b> A copy of the Fairness Opinion dated 21 <sup>st</sup> June, 2018 prepared by Keynote Corporate Services Limited, a SEBI registered Merchant Banker, (the 'Merchant Banker') providing the Fairness Opinion on the share exchange ratio.	48
6.	<b>Annexure 4</b> Report adopted by the Board of Directors of DIL Limited at its meeting held on 21 <sup>st</sup> June, 2018 pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013.	53
7.	<b>Annexure 5</b> Report adopted by the Board of Directors of Fermenta Biotech Limited at its meeting held on 21 <sup>st</sup> June, 2018 pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013.	56
8.	<b>Annexure 6</b> A copy of abridged prospectus providing information pertaining to the unlisted entity i.e. Fermenta Biotech Limited, Transferor Company involved in the scheme as per the format specified in Part D of Schedule VIII of the Issue of Capital and Disclosure Requirements Regulations (the 'ICDR Regulations') .	59
9.	<b>Annexure 7</b> A copy of certificate from the Merchant Banker confirming the adequacy and accuracy of the information contained in abridged prospectus on unlisted entity i.e. Fermenta Biotech Limited, Transferor Company involved in the scheme, in terms of Para 3(a) of Part I(A) of the SEBI circular dated 10 <sup>th</sup> March, 2017.	68
10.	<b>Annexure 8</b> A copy of the Observation letter dated 6 <sup>th</sup> November, 2018 issued by the BSE Limited to DIL Limited.	70
11.	<b>Annexure 9</b> A copy of Audited financial statements of DIL Limited as on 31 <sup>st</sup> March 2019	72
12.	<b>Annexure 10</b> A copy of Audited financial statements of Fermenta Biotech Limited as on 31 <sup>st</sup> March 2019	75
13.	<b>Annexure 11</b> A copy of Complaint report dated October 8, 2018 of DIL Limited filed with the BSE Limited in terms of Para 6(a) of Part I(A) of the SEBI circular dated 10 <sup>th</sup> March, 2017.	78
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**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL  
BENCH AT MUMBAI  
COMPANY SCHEME APPLICATION NO. 1394 OF 2018**

**IN THE MATTER OF THE COMPANIES ACT, 2013;  
AND**

**IN THE MATTER OF APPLICATION UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013 AND OTHER  
APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013;**

**AND**

In the matter of **DIL Limited**;

**AND**

In the matter of Scheme of Amalgamation of Fermenta Biotech Limited (the Transferor Company) with DIL Limited (the Transferee Company) and their respective shareholders.

DIL Limited

CIN: L99999MH1951PLC008485

Company incorporated under the Companies Act, 1913 having its registered office at

A-1601, Thane One, 'DIL' Complex, Ghodbunder Road, Majiwade,

Thane (West) – 400 610, Maharashtra, India

**.....the Applicant Company / Transferee Company.**

**NOTICE CONVENING THE MEETING OF THE UNSECURED CREDITORS OF THE TRANSFEEE COMPANY**

To,

All the Unsecured Creditors of DIL Limited (the "Transferee Company"):

**NOTICE** is hereby given that by an Order dated 6th day of June, 2019 (the "**Order**"), the Hon'ble National Company Law Tribunal, Bench at Mumbai ("**NCLT**") has directed a meeting to be held of the unsecured creditors of the Transferee Company for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme of Amalgamation of Fermenta Biotech Limited (the 'Transferor Company') with DIL Limited (the 'Transferee Company') and their respective shareholders ("**Scheme**").

In pursuance of the said Order and as directed therein further notice is hereby given that a meeting of the unsecured creditors of the Transferee Company will be held at A-1601, Thane One, DIL complex, Majiwade, Ghodbunder Road, Thane (West) – 400 610, Maharashtra India on Monday, 8<sup>th</sup> day of July, 2019 at 4.00 p.m. (16.00 hours) (IST) at which time and place you are requested to attend. At the meeting, the following resolution will be considered and if thought fit, be passed, with or without modification(s):

**"RESOLVED THAT** pursuant to the provisions of Sections 230-232 and other applicable provisions of the Companies Act, 2013, the rules, circulars and notifications made thereunder (including any statutory modification or re-enactment thereof) as may be applicable, and subject to the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of Hon'ble National Company Law Tribunal, Bench at Mumbai ("**NCLT**") and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "**Board**", which term shall be deemed to mean and include one or more Committee(s) constituted or to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), the arrangement embodied in the Scheme of Amalgamation of Fermenta Biotech Limited (the Transferor Company) with DIL Limited (the Transferee Company) and their respective shareholders ("**Scheme**") placed before this meeting and initialled by the Chairman of the meeting for the purpose of identification, be and is hereby approved.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the NCLT while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise including passing of such accounting entries and/or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper".

**TAKE FURTHER NOTICE** that you may attend and vote at the said meeting in person or by proxy provided that a proxy in the prescribed form, duly signed by you, is deposited at the registered office of the Transferee Company at A-1601, Thane One, 'DIL' Complex, Ghodbunder Road, Majiwade, Thane (West) – 400 610, Maharashtra, India, not later than 48 (forty eight) hours before the time fixed for the aforesaid meeting. The form of proxy, if required, can be obtained free of charge from the registered office of the Transferee Company on any day (except on Saturday, Sunday and Public Holidays) during business hours (i.e. between 9 am to 5.30 pm IST).

Copies of the Scheme and of the Explanatory Statement, under Sections 230(3), 232(1), 232(2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with the enclosures as indicated in the Index, can be obtained free of charge at the registered office of the Transferee Company at A-1601, Thane One, 'DIL' Complex, Ghodbunder Road, Majiwade, Thane (West) – 400 610, Maharashtra, India.

NCLT has appointed Mr. Siddarth Thakur, Advocate to be the Chairman of the said meeting including for any adjournment or adjournments thereof.

The Scheme, if approved in the aforesaid meeting, will be subject to the subsequent approval of NCLT.

A copy of the Explanatory Statement, under Sections 230(3), 232(1), 232(2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the Scheme and the other enclosures as indicated in the Index are enclosed.

Sd/-

**Siddarth Thakur**

Chairman appointed for the meeting

Dated this 7th day of June, 2019.

*Registered office:* A-1601, Thane One, 'DIL' Complex,  
Ghodbunder Road, Majiwade,  
Thane (West) – 400 610, Maharashtra, India.

**Notes:**

1. NCLT by its said Order has directed that a meeting of the unsecured creditors of the Applicant Company shall be convened and held at Registered office: A-1601, Thane One, 'DIL' Complex, Ghodbunder Road, Majiwade, Thane (West) – 400 610, Maharashtra, India on Monday, 8<sup>th</sup> day of July, 2019 at 4.00 p.m. (16.00 hours) (IST), for the purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme. Unsecured creditors would be entitled to vote in the said meeting either in person or through proxy.
2. ONLY UNSECURED CREDITORS OF THE APPLICANT COMPANY MAY ATTEND AND VOTE EITHER IN PERSON OR BY PROXY (A PROXY NEED NOT BE AN UNSECURED CREDITOR OF THE APPLICANT COMPANY) or in the case of a body corporate, by a representative authorized under Section 113 of the Companies Act, 2013 at the meeting of the unsecured creditors of the Applicant Company. The authorized representative of a body corporate which is a unsecured creditor of the Applicant Company may attend and vote at the meeting of the unsecured creditors of the Applicant Company provided a certified true copy of the resolution of the board of directors or other governing body of the body corporate authorizing such representative to attend and vote at the meeting of the unsecured creditors of the Applicant Company is deposited at the registered office of the Applicant Company not later than 48 (forty eight) hours before the scheduled time of the commencement of the meeting of the unsecured creditors of the Applicant Company. The Form of Proxy can be obtained free of charge at the registered office of the Applicant Company.
3. All alterations made in the Form of Proxy should be initialed by unsecured creditor.
4. The quorum of the meeting of the unsecured creditors of the Applicant Company shall be 15 (fifteen) unsecured creditors of the Applicant Company.
5. Unsecured creditor or his/her proxy, attending the meeting, is requested to bring the Attendance Slip duly completed and signed.
6. The documents referred to in the accompanying Explanatory Statement shall be open for inspection by the unsecured creditors at the registered office of the Applicant Company between 10.00 AM and 2.00 PM on all days (except Saturdays, Sundays and public holidays) upto one day prior to the date of the meeting.
7. The Applicant Company has provided the facility of ballot/polling paper at the venue of the meeting.
8. As directed by NCLT, Mrs. Suman Sureka, Suman Sureka & Associates, Company Secretaries (C. P. No. 4892) has been appointed as the scrutinizer to conduct the voting process through ballot/poll paper at the venue of the meeting in a fair and transparent manner.
9. The scrutinizer will submit his report to the Chairman of the meeting after completion of the scrutiny of the votes cast by the unsecured creditors of the Applicant Company through poll paper at the venue of the meeting.
10. The scrutinizer's decision on the validity of the vote shall be final. The results of votes cast through poll paper at the venue of the meeting will be announced within 48 hours from the conclusion of the meeting at the registered office of the Applicant Company. The results, together with the scrutinizer's Reports, will be displayed at the registered office of the Applicant Company and on the website of the Applicant Company [www.dil.net](http://www.dil.net) besides being communicated to BSE Limited ('BSE').
11. NCLT by its said Order has directed that unsecured creditors appearing in the records of the applicant Company as on May 31, 2019 will be entitled to exercise their right to vote on the above meeting ("cut-off date").
12. The Applicant Company has provided the facility of ballot/polling paper at the venue of the meeting. In accordance with the provisions of Sections 230-232 of the Companies Act, 2013, the Scheme shall be acted upon only if a majority of persons representing three fourth in value of the unsecured creditors of the Applicant Company, voting in person or by proxy, agree to the Scheme.
13. The Notice, together with the documents accompanying the same, is being sent to the unsecured creditors either by registered post or speed post or by courier service. The Notice will be displayed on the website of the Applicant Company [www.dil.net](http://www.dil.net).
14. The notice convening the said meeting, indicating the day, date, place and time, as aforesaid will be published through advertisement in the following newspapers, namely, (i) "Business Standard" (PAN - India Edition) in English language; and (ii) translation thereof in "Loksatta" (Maharashtra edition) in Marathi language.

**EXPLANATORY STATEMENT UNDER SECTIONS 230(3), 232(1), 232 (2) AND 102 OF THE COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016.**

1. Pursuant to the Order dated 6th day of June, 2019, passed by the Hon'ble National Company Law Tribunal, Bench at Mumbai (the "NCLT"), in Company Scheme Application No.1394 of 2018 ("Order"), a meeting of the unsecured creditors of DIL Limited is being convened at A-1601, Thane One, 'DIL' Complex, Ghodbunder Road, Majiwade, Thane (West) – 400 610, Maharashtra, India on Monday, the 8<sup>th</sup> day of July, 2019 at 4.00 p.m. (16.00 hours), for the purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme of Amalgamation of Fermenta Biotech Limited (hereinafter referred to as the "Transferor Company" or "FBL" as the context may admit) with DIL Limited (hereinafter referred to as the "Transferee Company" or "DIL" as the context may admit) and their respective shareholders under Sections 230-232 and other applicable provisions of the Companies Act, 2013 (the "Scheme"). FBL and DIL are together referred to as the "Companies". A copy of the Scheme, which has been, inter alia, approved by the Board of Directors of the Transferee Company at its meeting held on 21<sup>st</sup> June, 2018, is enclosed as **Annexure 1**. Capitalized terms used herein but not defined shall have the meaning assigned to them in the Scheme, unless otherwise stated.
2. In terms of the said Order, the quorum for the aforesaid meeting of the unsecured creditors of the Transferee Company shall be 15 (fifteen). Further in terms of the said Order, NCLT has appointed Mr. Siddarth Thakur, Advocate as the Chairman of the meeting of the Transferee Company including for any adjournment or adjournments thereof.
3. This statement is being furnished as required under Sections 230(3), 232(1), 232(2) and 102 of the Companies Act, 2013 (the "Act") read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (the "Rules").
4. As stated earlier, NCLT by its said Order has, *inter alia*, directed that a meeting of the unsecured creditors of the Transferee Company shall be convened and held at A-1601, Thane One, DIL complex, Ghodbunder Road, Majiwade, Thane (West) 400610, Maharashtra, India on Monday, the 8<sup>th</sup> day of July, 2019 at 4.00 p.m. (16.00 hours) (IST) for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme. Unsecured Creditors would be entitled to vote in the said meeting either in person or through proxy.
5. In accordance with the provisions of Sections 230-232 of the Companies Act, 2013, the Scheme shall be acted upon only if a majority of persons representing three fourth in value of the unsecured creditors of the Transferee Company, voting through ballot or polling

paper at the venue of the meeting, agree to the Scheme.

**Particulars of DIL Limited (DIL)**

6. DIL (PAN: AAACD0525E) was incorporated under the Companies Act, 1913 on May 1, 1951, under its name "International Franchises Private Limited". Thereafter, on April 19, 1963, its name was changed to "Crookes Interfran Limited" which was further changed to "Duphar-Interfran Limited" on May 1, 1971. Finally, name of the Transferee Company had been changed to "**DIL Limited**" vide fresh Certificate of Incorporation dated October 13, 2003. There has been no further change in the name of DIL in the last five (5) years. The Corporate Identification Number of DIL is *L99999MH1951PLC008485*. The equity shares of DIL are listed on the BSE Limited (BSE).
  7. DIL's registered office was changed from 'DIL' Complex, Ghodbunder Road, Majiwade, Thane (West) – 400 610 to its present address i.e. A-1601, Thane One, 'DIL' Complex, Ghodbunder Road, Majiwade, Thane (West) – 400 610 w.e.f. January 02, 2017. The web site address of DIL is *www.dil.net*.
  8. The objects for which DIL has been established are set out in its Memorandum of Association which *inter alia* are as follows:
    - *To take over as a running concern the firm 'International Franchises' conducted and owned by Mr. E. V. S. Desikachari on such terms and payment in consideration as the Board of Directors may determine.*
    - *To carry on business as manufactures of, and dealers in, pharmaceutical, veterinary and phytopharmaceutical products and preparations, chemicals, biochemical and biological products, drugs, medicines and remedies, atomic and radioactive isotopes, chemicals, fine chemicals, spirits, fertilisers, sprays, disinfectants, insecticides, pesticides, germicides, vermifuges, acids, alkalis, salts, dyes, dye-stuff, dye-wares, colours, paints, pigments, lacquers, compounds, varnishes, polishes, glues, gums, cosmetic, and toilet preparations, foodstuffs and beverages, and protographical, industrial, medicinal, surgical, hospital, laboratory and scientific preparations, compounds, equipments and apparatus, and other preparations, compounds, substances, and articles intended for, or capable of being used in or connected with, any such business as aforesaid.*
- There has been no change in the Objects clause of DIL in the last 5 years except that the following object was added in the Objects clause of the Memorandum of Association vide members' special resolution by way of Postal Ballot dated 25<sup>th</sup> July 2018:
- *To engage in and to conduct the business of conceiving, designing, providing and manufacturing for sale and distribution of sustainable environmental solutions including but*

not limited to, solid waste management, waste water management, water management, lake and pond bioremediation and fly ash management, air pollution management, installation, operation and maintenance of Sewage Treatment Plants (STPs) either on its own or through collaboration and other related and incidental activities.

9. DIL is presently engaged in the business *inter alia* of manufacturing and marketing of chemicals, API, enzymes, pharmaceutical formulations and environmental solution products, through its subsidiary viz. Fermenta Biotech Limited and is also engaged in the business of renting of properties.

Details of subsidiaries, joint ventures and associates of DIL are as follows:

Name	Status	% of shares held	Nature of Business
Aegean Properties Limited	Subsidiary Company	100	Renting of Properties
CC Square Films Limited	Subsidiary Company	100	Motion film production
Fermenta Biotech Limited	Subsidiary Company	91.20	Manufacturing and marketing of chemicals, API, enzymes, pharmaceutical formulations and environmental solution products
Fermenta Biotech (UK) Limited	Subsidiary Company [100% subsidiary of FBL]	-	Manufacturing and marketing of chemicals, API, enzymes, pharmaceutical formulations and environmental solution products
G. I. Biotech Private Limited	Subsidiary Company [62.50% subsidiary of FBL]	-	Manufacturing and marketing of chemicals, API, enzymes, pharmaceutical formulations and environmental solution products
Health and Wellness India Private Ltd.	Associate Company	47.15	Providing services of sports and health awareness education activities

10. The Authorised, Issued, Subscribed and Paid up Share Capital of DIL as on March 31, 2018 was as under:

Particulars	Amount (INR)
<b>Authorised Share Capital</b>	
49,20,000 Equity Shares of INR 10/- each	4,92,00,000
80,000 unclassified shares of INR 10/- each	8,00,000
<b>Total</b>	<b>5,00,00,000</b>
<b>Issued, Subscribed and Paid Up Share Capital</b>	
22,93,198 Equity Shares of INR. 10/- each	2,29,31,980
<b>Total</b>	<b>2,29,31,980</b>

Subsequent to 31st March, 2018 there was a change in the capital structure of the Transferee Company pursuant to the meeting of the Board of Directors of the Transferee Company, held on 18<sup>th</sup> June, 2018, recommending and approving (a) Split/sub-division of shares from face value of INR 10/- each to face value of INR 5/- each; and (b) Post split, issue of bonus shares in a proportion of 1:1. The Shareholders of the Transferee Company vide their approval by way of postal ballot including e-voting dated 25<sup>th</sup> July, 2018, have approved the split and bonus issue along with the consequential revised capital structure of the Transferee Company.

The Authorised, Issued, Subscribed and Paid-up Share Capital of the Transferee Company as on date of this notice is as under:

Particulars	Amount (INR)
<b>Authorised Share Capital</b>	
98,40,000 Equity Shares of INR 5/- each	4,92,00,000
1,60,000 unclassified shares of INR 5/- each	8,00,000
<b>Total</b>	<b>5,00,00,000</b>
<b>Issued, Subscribed and Paid Up Share Capital</b>	
91,72,792 Equity Shares of INR. 5/- each	4,58,63,960
<b>Total</b>	<b>4,58,63,960</b>

#### Particulars of Fermenta Biotech Limited (FBL)

11. FBL (PAN: AAACF2503N) was incorporated under the Companies Act, 1956 on 11<sup>th</sup> July, 1986, under its name "*Fermentapharma Biodil Limited*" in the territory of Registrar of Companies at Punjab, Himachal Pradesh and Chandigarh. Thereafter, on 24<sup>th</sup> October, 1996, its name was changed to "*Fermentapharma Biotech Limited*". Finally, pursuant to Section 13 of the Companies Act, 1956 and Rule thereunder, name of the Transferor Company had been changed to "*Fermenta Biotech Limited*" vide fresh Certificate of Incorporation dated on 10<sup>th</sup> May 2000. There has been no further change in the name of FBL in the last five (5) years. The

Corporate Identification Number of FBL is U99999MH1986PLC134021. The equity shares of FBL are not listed on any stock exchanges.

12. The Registered Office of FBL is situated at A-1501, Thane One, 'DIL' Complex, Ghodbunder Road, Majiwade, Thane (West) – 400 610, Maharashtra, India. FBL's registered office was changed from DIL Complex, Ghodbunder Road, Majiwade, Thane (W) – 400 610 to its present address i.e. A-1501, Thane One, 'DIL' Complex, Ghodbunder Road, Majiwade, Thane (W) – 400 610 w.e.f. January 02, 2017. The web site address of FBL is [www.fermentabiotech.com](http://www.fermentabiotech.com).
13. The objects for which FBL has been established are set out in its Memorandum of Association. The main object of FBL are, *inter alia*, as follows:
  - *To manufacture, produce, formulate, prepare, buy, market, distribute, exchange, supply, sell or otherwise dispose of, refine, blend, process, pack or repack, import, export and trade and generally to deal in pharmaceuticals, medicinal, biological, chemical, industrial and other preparations including products derived through fermentation technology and genetic engineering, produce amino acids, steroids, hormones, vitamins, chemicals, biochemicals, drugs, chemical intermediates, medicines and remedies, atomic and radio-active isotopes, enzymes, anti-bacterials, antibiotics including their derivatives, by-products and intermediates, produced either from natural sources of biochemical or chemical synthesis or semi-synthesis, radiation and photo-chemical techniques, and formulations of all kinds of drugs and pharmaceuticals, medicinal items and herbals.*
  - *To carry on business of manufacturing, processing, buying, reselling, importing, exporting, distributing, supplying, acting as agents and dealing in synthetic and other foods for human consumption, liquors, broths, mineral waters, yeast, vitamins, hormones, proteins, fertilizers, insecticides, animal feeds, pesticides, fungicides, sprays, vermifuges, disinfectants, germicides, acids, alkalies, salts, oils, oil products, nitrites, amines, amides, polyamides, vaccines, sera, perfumery and toiletries and other restoratives and requisites for human and animal therapy and to develop and deal in agriculture, horticulture, agricultural products, animal feeds, products of any kind and description.*
  - *To carry on the business as manufacturers, traders, importers, exporters, dealers, agents, research and development of all kinds and types of additives, petroleum products, chemical based components, intermediates and finished products, lubricants, waxes, chemical additives, solvents, bitumen and derivatives of the aforesaid, organic and inorganic,*
- *To carry on the business as mentioned herein above by integrating Software designing, development, customization, implementation, maintenance, testing and benchmarking, designing, developing and dealing in computer software and solutions, and to import, export, sell, purchase, distribute, host (in data centers or over the web) or otherwise deal in own and third party computer software packages, programs and solutions, and to provide internet/ web based applications, services and solutions, provide or take up information technology related assignments on sub-contracting basis, offering services on-site/ offsite or through development centers using owned, hired or third party infrastructure and equipment, providing recruitment and HR related services, providing and taking personnel/ consultants/ human resources to / from other organizations, providing solutions/ Packages/ services through applications services provider mode via internet or otherwise, to undertake business activities mentioned herein including IT enabled services like call Centre Management, Medical and legal transcription, data processing, Back office processing, Accounting, HR and payroll processing, Insurance claims processing, loans and letters of credit processing, repayment mechanism, data warehousing and database management, to carry on the business of manufacturing dealing and maintenance of computer hardware, computer systems and assemble data processors, program designs and to buy, sell or otherwise deal in such hardware and software packages and all types of tabulating machine, accounting machines, calculators, computerized telecommunication systems and network, their components spare parts, equipments and devices and to carry on the business activities using computer technology, offering equipment, solutions and services for networking and network management, data centre management and in providing consultancy services in all above mentioned areas.*
14. FBL is presently engaged *inter alia* in the business of manufacturing and marketing of chemicals, active pharmaceutical ingredients ('API'), enzymes, pharmaceutical formulations and environmental solution products. FBL is an unlisted Public Company and is a majority owned subsidiary of the DIL as 91.20% issued, subscribed and paid up share capital of FBL is held by DIL as on the date.
15. The Authorised, Issued, Subscribed and Paid up Share Capital of FBL as on March 31, 2019 and as on date of this notice is as under:



Particulars	Amount (INR)
<b>Authorised Share Capital</b>	
19,010,000 Equity Shares of INR 10/- each	19,01,00,000
9,90,000 Preference Shares of INR 10/- each	99,00,000
<b>Total</b>	<b>20,00,00,000</b>
<b>Issued, Subscribed and Paid Up Share Capital</b>	
18,192,844 Equity Shares of INR 10/- each	18,19,28,440
<b>Total</b>	<b>18,19,28,440</b>

16. As DIL holds 1,65,92,626 equity shares of INR. 10/- each (91.20%) in FBL (including 90 shares held by DIL's nominees); upon amalgamation of FBL with DIL, these equity shares will stand cancelled as provided in the Scheme.

#### Description and Objective of the Scheme

17. The Scheme provides for, *inter alia*:

- I. the amalgamation of FBL with DIL;
- II. cancellation of the equity shares held by DIL in FBL;
- III. dissolution without winding up of FBL;
- IV. merger of the authorized share capital of FBL with DIL; and
- V. various other matters consequential to or otherwise integrally connected with the above.

The proposal is to be implemented in terms of the Scheme under Sections 230 - 232 of the Act.

18. The rationale of amalgamation is stated in recital Clause A of the Scheme (**Annexure 1**) and is as under:

In order to consolidate and effectively manage FBL and DIL in a single entity and to achieve *inter-alia* economies of scale and efficiency, the merger is being undertaken. The amalgamation of FBL with DIL would *inter alia* have the following benefits:

- (a) Amalgamation to be value accretive to the shareholders of the Transferee Company as the shareholders would have direct access to the core business of the Transferor Company;
- (b) Greater integration and greater financial strength and flexibility for the amalgamated entity, which would result in maximising overall shareholder value;
- (c) Greater efficiency in cash management of the group and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize

shareholder value;

- (d) Improved organizational capability and leadership, arising from the pooling of human capital having diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry;
- (e) Cost savings are expected to flow from more focused operational efforts, rationalization, standardisation and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses;
- (f) Reduction in the multiplicity of legal and regulatory compliances required at present to be separately carried out by the Transferor Company and the Transferee Company;
- (g) To optimally leverage the larger assets base and cash flow of the amalgamated entity;
- (h) Amalgamation will result in the Transferee Company directly controlling and managing the business of the Transferor Company which would lead to simplification of the shareholding structure and reduction of shareholding tiers; and
- (i) To meet the covenants for taking loan facility and to avail the incentivised reduction in the interest rates from lenders in respect of the borrowings.

#### Major Developments / Actions post announcement of the Scheme

19. The major developments / actions have taken place since announcement of the scheme, the details of which are as under:

- (a) The Board members of DIL in the Board meeting held on 18<sup>th</sup> June, 2018, subject to members' approval, approved:
  - i. split/sub-division of Share Capital of DIL from face value of INR. 10 (Rupees Ten) each to face value of INR. 5 (Rupees Five) each ('Split'); and
  - ii. issue of bonus equity shares in the proportion of 1:1 i.e. 1 (One) new fully paid-up equity share of INR. 5/- (Rupees Five only) each for every 1 (One) existing fully paid-up equity share of INR. 5/- (Rupees Five only) each ('Bonus Issue');
- (b) DIL Members, vide Postal Ballot including e-voting dated 25<sup>th</sup> July, 2018, approved the Split and issue of bonus equity shares ranking *pari passu* the then existing equity shares;
- (c) DIL Board of Directors, at its meeting held on 10<sup>th</sup> August, 2018, approved the issue of split/sub-divided share certificates and allotted 45,86,396 bonus equity shares of face value of INR. 5 each to such members whose name appeared in the

member register as on record date i.e. 09<sup>th</sup> August, 2018. Post split, the number of equity shares stood revised i.e. from 22,93,198 equity shares of INR. 10 each to 45,86,396 equity shares of INR. 5 each. Post Bonus Issue, the number of equity shares increased from 45,86,396 equity shares of INR. 5 each to 91,72,792 equity shares of INR. 5 each.

- (d) Accordingly, post split and Bonus Issue, the total paid-up equity shares of the Company are 91,72,792 equity shares of INR. 5 each.
- (e) In terms of Section 149, 150, 152 and 161 of the Companies Act, 2013 and Regulation 17 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the members of the Board of Directors of the Company appointed Dr. Gopakumar Nair (DIN: 00092637) as an Additional (Independent) Director on the Board of Directors of the Company w.e.f. May 17, 2019.

#### **Corporate Approvals**

20. The proposed Scheme was placed before the Audit Committee of DIL at its meeting held on 21<sup>st</sup> June, 2018. The Audit Committee of DIL based on the aforesaid, inter alia, recommended the Scheme to the Board of Directors of DIL.
21. The Scheme was placed before the Board of Directors of DIL, at its meeting held on 21<sup>st</sup> June, 2018. The report of the Audit Committee was also submitted to the Board of Directors of DIL. Based on the aforesaid, the Board of Directors of DIL approved the Scheme. The meeting of the Board of Directors of DIL, held on 21<sup>st</sup> June, 2018, was attended by 5 (Five) directors (namely, Mr. Sanjay Buch, Mr. Vinayak Hajare, Ms. Rajeshwari Datla, Mr. Krishna Datla and Mr. Satish Varma in person). None of the Directors of DIL who attended the meeting voted against the Scheme. Thus, the Scheme was approved unanimously by the Directors of DIL who attended and voted at the meeting.
22. The proposed Scheme was placed before the Audit Committee of FBL at its meeting held on 21<sup>st</sup> June, 2018. The Audit Committee of FBL based on the aforesaid, inter alia, recommended the Scheme to the Board of Directors of FBL.
23. The Scheme was placed before the Board of Directors of FBL, at its meeting held on 21<sup>st</sup> June, 2018. The report of the Audit Committee was also submitted to the Board of Directors of FBL. Based on the aforesaid, the Board of Directors of FBL approved the Scheme. The meeting of the Board of Directors of FBL, held on 21<sup>st</sup> June, 2018, was attended by 5 (Five) directors (namely, Mr. Sanjay Buch, Dr. Gopakumar Nair, Ms. Anupama Datla Desai, Mr. Krishna Datla and Mr. Satish Varma in person). None of the Directors of FBL who attended the meeting voted against the Scheme. Thus, the Scheme

was approved unanimously by the Directors of FBL who attended and voted at the meeting.

#### **Approvals and actions taken in relation to the Scheme**

24. The shares of DIL, the Transferee Company are listed on the BSE Limited. The provisions of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10<sup>th</sup> March, 2017 including its amendments shall apply to the Scheme. Accordingly DIL as per the requirement of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10<sup>th</sup> March, 2017 had filed draft Scheme with the BSE Limited on 12<sup>th</sup> September 2018 with the Manager, Listing Department, BSE Limited, Phiroze Jeebhoy Towers, Dalal Street, Mumbai – 400 001 for obtaining an approval from the BSE Limited under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirement), Regulations, 2015 for the Scheme, under sections 230 to 232 of the Act. The BSE Limited issued an Observation letter dated November 6, 2018 received on November 6, 2018 giving in-principle approval to amalgamation of FBL with DIL under Section 230 to 232 of the Act and granting permissions for filing an applications / petitions with the Hon'ble NCLT.
25. The Companies or any of them would obtain such necessary approvals / sanctions / no objection(s) from the regulatory or other governmental authorities in respect of the Scheme in accordance with law, if so required.
26. The applications along with the annexure thereto (which includes the Scheme) were filed by the Companies with the NCLT, on 12<sup>th</sup> November, 2018.
27. This notice convening Meeting of the Unsecured Creditors of the Transferee Company along with aforesaid documents are placed on the website of the Company viz. [www.dil.net](http://www.dil.net).

#### **Salient extracts of the Scheme**

28. The salient extracts of the Scheme are as under:

Scheme of Amalgamation under sections 230 to 232 and other applicable provisions of the Act for merger of Fermenta Biotech Limited (the "Transferor Company") with DIL Limited (the "Transferee Company") with an appointed date of 1<sup>st</sup> April, 2018.

Scheme provides for transfer of all assets / liabilities / rights / obligations of FBL into DIL.

Consideration for merger: 100 equity shares of DIL of INR. 5 each fully paid up for every 251 equity shares of FBL of INR. 10 each fully paid up. Any fractional equity shares resulting out of allotment of new equity shares by DIL to FBL shareholders will be rounded off as per the terms of the Scheme. As FBL is a majority subsidiary of DIL, no shares will be issued against the shares held by DIL in FBL.

**You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The aforesaid are only some of the salient extracts thereof.**

#### **Other matters**

29. The accounting treatment as proposed in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Act. The certificate issued by Deloitte Haskins and Sells LLP, Statutory Auditors, is open for inspection.

30. Under the Scheme, an arrangement is sought to be entered into between DIL and its equity Shareholders. *Upon the effectiveness of the Scheme, DIL shall without any further application, act or deed, issue and allot 100 (Hundred) equity shares of INR. 5/- (Rupees Five only) each credited as fully paid-up of DIL for every 251 (Two Fifty One) equity shares of INR. 10/- (Rupees Ten only) held in FBL and whose names are recorded in the register of members on the Record Date.*

A copy of the Valuation Report dated 21<sup>st</sup> June, 2018 of N S Kumar & Co., Independent Chartered Accountants, describing the methodology adopted by them in arriving at the share exchange ratio, is enclosed as **Annexure 2** and a copy of the Fairness Opinion dated 21<sup>st</sup> June, 2018 prepared by Keynote Corporate Services Limited, a SEBI Registered Merchant Banker, providing the Fairness Opinion on the share exchange ratio, is enclosed as **Annexure 3**.

As far as the Equity shareholders of DIL are concerned (promoter shareholders as well as Non Promoter shareholders), pursuant to issue and allotment of shares of DIL to the Shareholders of FBL, the Promoter Holding in DIL will reduce from 62.59% to 58.92%. The overall public shareholding in DIL will increase from 37.41% to 41.08%.

In respect of the Scheme, there is no arrangement with the creditors of DIL. No compromise is offered under the Scheme to any of the creditors of DIL. The liability of the creditors of DIL, under the Scheme, is neither being reduced nor being extinguished.

As on date, DIL has no outstanding towards any public deposits and therefore, the effect of the Scheme on any such public deposit holders does not arise. As on date, DIL has not issued any debentures. In the circumstances, the effect of the Scheme on the debenture trustee does not arise.

Under the Scheme, no rights of the Employees of DIL are being affected. The services of the Employees of DIL, under the Scheme, shall continue on the same terms and conditions on which they were engaged by DIL.

There is no effect of the Scheme on the key managerial personnel and/or the Directors of DIL. Further no change in the Board of Directors of DIL is envisaged on account of the Scheme.

Further, none of the Directors, the Key Managerial Personnel (as defined under the Act and rules framed thereunder) of DIL and their respective relatives (as defined under the Act and rules framed thereunder) have any interest in the Scheme except to the extent of the equity shares held by them in DIL and/or to the extent that the said Director(s) are common director(s) of the Companies and/or to the extent the said Director(s) are holding shares in FBL as nominee and/or to the extent that the said Director(s), Key Managerial Personnel and their respective relatives are the directors, members of the companies that hold shares in the respective Companies. Save as aforesaid, none of the said Directors or the Key managerial Personnel has any material interest in the Scheme. The Company Secretary, Chief Executive Officer, and Chief Financial Officer and their respective relatives do not hold any equity shares in the paid-up share capital of each of the Companies.

31. Under the Scheme, an arrangement is sought to be entered into between FBL and its equity shareholders. Upon the effectiveness of the Scheme, FBL shall stand dissolved without winding up. Upon the effectiveness of the Scheme, the equity shares held by DIL in the paid-up equity share capital of FBL shall stand cancelled.

In respect of the Scheme, there is no arrangement with the creditors, either secured or unsecured of FBL. No compromise is offered under the Scheme to any of the creditors of FBL. The liability of the creditors of FBL, under the Scheme, is neither being reduced nor being extinguished.

As on date, FBL has no outstanding towards any public deposits and therefore, the effect of the Scheme on any such public deposit holders does not arise. As on date, FBL has not issued any debentures. In the circumstances, the effect of the Scheme on the debenture trustee does not arise.

Under Clause 8 of the Scheme, on and from the Effective Date, DIL undertakes to engage the Employees of FBL, on the same terms and conditions on which they are engaged by FBL without any interruption of service and in the manner provided under Clause 8 of the Scheme. In the circumstances, the rights of the Employees of FBL, engaged in, would in no way be affected by the Scheme.

Chief Financial Officer and Company Secretary of FBL shall cease to be KMPs in the merged company; however, their employments shall continue with all the other terms of employment remaining unchanged post-merger, with DIL.

Upon the effectiveness of the Scheme, the directors of FBL shall cease to be its directors as FBL shall stand dissolved without winding up.

Further, none of the Directors, the Key Managerial Personnel (as defined under the Act and rules framed

thereunder) of FBL and their respective relatives (as defined under the Act and rules framed thereunder) have any interest in the Scheme except to the extent that the said Director(s) are common director(s) of the Companies and/or to the extent the said Director(s) are holding shares in FBL as nominee of the equity shares held by them and/or to the extent that the said Director(s), Key managerial Personnel and their respective relatives are the directors, members of the companies that hold shares in the respective Companies. Save as aforesaid, none of the said Directors or the Key Managerial Personnel has any material interest in the Scheme.

32. The Scheme does not involve any capital or debt restructuring and therefore the requirement to disclose details of capital or debt restructuring is not applicable.
33. In compliance with the provisions of Section 232(2)(c) of the Act, the Board of Directors of FBL and DIL have at their separate meetings held on 21<sup>st</sup> June, 2018 respectively, have adopted a report, *inter alia*, explaining effect of the Scheme on each class of shareholders, key managerial personal, promoters and non-promoter shareholders amongst others. Copy of the Reports adopted by the respective Board of Directors of DIL and FBL are enclosed as **Annexure 4** and **Annexure 5** respectively.
34. A copy of abridged prospectus providing an information pertaining to the unlisted entity i.e. FBL, involved in the scheme as per the format specified in Part D of Schedule VIII of the ICDR Regulations along with a copy of certificate from the Merchant Banker confirming the adequacy and accuracy of the information contained in above document on unlisted entity i.e. FBL in terms of Para 3(a) of Part I(A) of the SEBI circular dated 10th March 2017 are enclosed as **Annexure 6** and **Annexure 7** respectively.
35. None of the Companies is registered under the Competition Commission of India Act or under the corresponding provisions of the Monopolies & Restrictive Trade Practices Act and no investigation is pending against either of these Companies under Sections 210 to 229 of Chapter XIV of the Companies Act, 2013 or under the corresponding provisions of the Companies Act, 1956. Further no proceedings are pending under the Act or under the corresponding provisions of the companies Act, 1956 against any of the Companies.
36. To the best of knowledge of the Companies, there are no winding up petitions or resolution process under the provisions of Insolvency and Bankruptcy Code, 2016 pending against the Transferee Company in any Court or the National Company Law Tribunal in India.
37. The copy of the Observation letter dated 6<sup>th</sup> November, 2018 issued by the BSE Limited to DIL is enclosed as **Annexure 8**.

38. The copy of the proposed Scheme has been filed by the respective Companies before the concerned Registrar of Companies on 7th day of June, 2019.
39. A copy of Audited financial statements of DIL Limited as on 31<sup>st</sup> March 2019 are enclosed as **Annexure 9 (colly)**.
40. A copy of Audited financial statements of Fermenta Biotech Limited as on 31<sup>st</sup> March 2019 are enclosed as **Annexure 10 (colly)**.
41. A copy of Complaint report dated October 8, 2018 of DIL Limited filed with the BSE Limited in terms of Para 6(a) of Part I(A) of the SEBI circular dated 10<sup>th</sup> March, 2017, is enclosed as **Annexure 11**.
42. As per the books of accounts (as on 31<sup>st</sup> March, 2019) of FBL and DIL the amount due to the secured creditors is INR. 65.08 Crores and INR. 137.37 Crores respectively.
43. As per the books of accounts (as on 31<sup>st</sup> March, 2019) of FBL and DIL, the amount due to the unsecured creditors is INR. 34 Crores and INR. 29.67 Crores respectively.
44. The names and addresses of the Promoters of DIL Limited including their shareholding in the Company as on the date of this notice are as under:

Sr. No.	Name and address of of Promoters and Promoter Group	DIL	
		No. of Shares of INR.5/- each	%
1.	DVK Investments Pvt. Ltd A-1601, The One, DIL Complex, Ghodbunder Road, Majiwade, Thane, West, 400610	49,44,940	53.91
2.	Krishna Datla 42/B, Dhananjay, Presidency CHS, JVPD Scheme, Juhu, Vile Parle (W), Mumbai-49	7,96,340	8.68

45. The name and addresses of the Promoters of FBL Limited including their shareholding in the Company as on the date of this notice are as under:

Sr. No.	Name and address of of Promoters and Promoter Group	FBL	
		No. of Shares of INR.10/- each	%
1.	DIL Limited A-1601, The One, DIL Complex, Ghodbunder Road, Majiwade, Thane (W) 400610	1,65,92,626	91.20
2.	Krishna Datla 42/B, Dhananjay, Presidency CHS, JVPD Scheme, Juhu, Vile Parle (W), Mumbai-49	10,800	0.06

46. The details of the Directors of DIL as on the date of this notice are as follows:

Sr. No.	Name of Director	Designation	Address	DIN
1.	Mr. Sanjay Ramakant Buch	Chairman & Independent Director	7/31, Bandra Sona CHS Complex, Krishnachandra Marg, Bandra (W), Mumbai-400050, Maharashtra, India	00391436
2.	Ms. Rajeshwari Datla	Director	42/B, Dhananjay, Presidency CHS, JVPD Scheme, Juhu, Vile Parle (W), Mumbai-400049, Maharashtra, India	00046864
3.	Mr. Krishna Vasantkumar Datla	Managing Director	42/B, Dhananjay, Presidency CHS, JVPD Scheme, Juhu, Vile Parle (W), Mumbai-400049, Maharashtra, India	00003247
4.	Mr. Satish Varma Azad Nadimpally	Director	Flat No. 1104, Quiscent Heights, Mindspace, Link Road, Malad (W), Mumbai-400064, Maharashtra, India	00003255
5.	Mr. Vinayak Manohar Hajare	Independent Director	Flat No. 3/4, Sarguro Park I, Deonar Farm Road, Deonar, Mumbai-400088, Maharashtra, India	00004635
6.	Dr. Gopakumar Nair	Additional (Independent) Director	C-002/003, Gokul Plaza, Thakur Complex, Kandivali (East) Mumbai 400101	00092637

47. The details of the Directors of FBL as on this date of notice are as follows :

Sr. No.	Name of Director	Designation	Address	DIN
1.	Mr. Sanjay Ramakant Buch	Chairman & Independent Director	7/31, Bandra Sona CHS Complex Krishnachandra Marg, Bandra (W), Mumbai-400050	00391436
2.	Mr. Krishna Vasantkumar Datla	Director	42/B, Dhananjay, Presidency CHS, JVPD Juhu Scheme, Vile Parle (W) Mumbai- 400049	00003247
3.	Mr. Satish Varma Azad Nadimpally	Managing Director	Flat no. 1104, Quiscent Heights, Mindspace Link Road, Malad (W), Mumbai-400064	00003255
4.	Dr. Gopakumar Gopalan Nair	Independent Director	C-002/003, Gokul Plaza, Thakur Complex, Kandivali (E) Mumbai-400101	00092637
5.	Ms. Anupama Datla Desai	Executive Director	A/802, Aditya, Samarth Ramadas Marg, Juhu Scheme, Vile Parle (W), Mumbai-400049	00217027

48. The details of the shareholding of the Directors and the Key Managerial Personnel of DIL in FBL as on the date of this notice are as follows :

Name of Director and KMP held in FBL	Position	Equity Shares
Mr. Krishna Datla	Managing Director	10,800
Ms. Rajeshwari Datla	Director	90,738
Mr. Satish Varma	Director	10*

\*Shares held u/s. erstwhile 187C of the Companies Act, 1956 (now Section 89 of Companies Act, 2013) in favour of DIL Limited.

49. The details of the shareholding of the Directors and the Key managerial Personnel of FBL in DIL as on this date of notice are as follows:

Name of Director and KMP held in DIL	Position	Equity Shares held in DIL
Mr. Krishna Datla	Director	7,96,340
Ms. Anupama Datla Desai	Executive Director	1,05,996
Dr. Gopakumar Nair	Additional (Ind) Dir.	2,000

50. The Pre-Amalgamation shareholding pattern of FBL as on 7<sup>th</sup> September, 2018 and the Pre and Post-Amalgamation (expected) shareholding pattern of DIL are as under:

Pre-amalgamation shareholding pattern of FBL:

Sr.	Category	No. of fully paid up equity shares held of Rs. 5 each	Shareholding as a % of total no. of shares
(A)	<b>Promoter</b>		
(1)	Individuals		
(a)	Krishna Datla	10,800	0.06
	<b>Sub-Total (A)(1)</b>	<b>10,800</b>	<b>0.06</b>
(2)	Bodies Corporate		
(a)	DIL Limited	1,65,92,626	91.20
	<b>Sub-Total (A)(2)</b>	<b>1,65,92,626</b>	<b>91.20</b>
	<b>Total Shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>1,66,03,426</b>	<b>91.26</b>
(B)	<b>Public</b>		
(a)	Individuals	8,99,060	4.94
(b)	Fermenta Biotech Limited ESOP Trust	4,88,334	2.69
(c)	Bodies Corporate	2,02,024	1.11
	<b>Sub Total (B)</b>	<b>15,89,418</b>	<b>8.74</b>
	<b>Grand Total (A)+(B)</b>	<b>1,81,92,844</b>	<b>100</b>

Pre-Amalgamation shareholding pattern of DIL as on September 07, 2018:

Sr.	Category	No. of fully paid up equity shares held of Rs. 5 each	Shareholding as a % of total no. of shares
(A)	<b>Promoter</b>		
(1)	Individuals		
(a)	Krishna Datla	7,96,340	8.6815
	<b>Sub-Total (A)(1)</b>	<b>7,96,340</b>	<b>8.6815</b>
(2)	Bodies Corporate		
(a)	DVK Investments Pvt Ltd	49,44,940	53.9088
	<b>Sub-Total (A)(2)</b>	<b>49,44,940</b>	<b>53.9088</b>
	<b>Total Shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>57,41,280</b>	<b>62.5903</b>
(B)	<b>Public</b>		
(a)	Institutions	9,368	0.1021
(b)	Individuals	28,84,578	31.4471
(c)	NBFCs	500	0.0055
(d)	Others	5,37,066	5.855
	<b>Sub Total (B)</b>	<b>34,31,512</b>	<b>37.4097</b>
(2)	<b>Grand Total (A)+(B)</b>	<b>91,72,792</b>	<b>100</b>

Post-Amalgamation (expected) shareholding pattern of DIL as on September 12, 2018:

Sr.	Category	No. of fully paid up equity shares held of Rs. 5 each	Shareholding as a % of total no. of shares
(A)	<b>Promoter</b>		
(1)	Individuals		
(a)	Krishna Datla	8,00,643	8.1612
	<b>Sub-Total (A)(1)</b>	<b>8,00,643</b>	<b>8.1612</b>
(2)	Bodies Corporate		
(a)	DVK Investments Pvt Ltd	49,79,611	50.7589
	<b>Sub-Total (A)(2)</b>	<b>49,79,611</b>	<b>50.7589</b>
	<b>Total Shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>57,80,254</b>	<b>58.9201</b>
(B)	<b>Public</b>		
(a)	Institutions	9,368	0.0955
(b)	Individuals	32,42,769	33.0546
(c)	NBFCs	500	0.0051
(d)	Employee Trust	1,94,555	1.9832
(e)	Others	5,82,883	5.9415
(2)	<b>Sub Total (B)</b>	<b>40,30,075</b>	<b>41.0799</b>
	<b>Grand Total (A)+(B)</b>	<b>98,10,329</b>	<b>100</b>

51. The Pre and Post-Amalgamation (expected) capital structure of DIL will be as follows (assuming the continuing capital Structures as on this notice date.

#### PREAMALGAMATION

Authorised Share Capital	Amount (INR)
98,40,000 equity shares of Rs. 5 each	4,92,00,000
1,60,000 unclassified shares of Rs. 5 each	8,00,000
<b>Total</b>	<b>5,00,00,000</b>
<b>Issued Capital</b>	
91,72,792 equity shares of Rs. 5 each	4,58,63,960
<b>Total</b>	<b>4,58,63,960</b>
<b>Subscribed and Paid Up Capital</b>	
91,72,792 equity shares of Rs. 5 each	4,58,63,960
<b>Total</b>	<b>4,58,63,960</b>

#### POSTAMALGAMATION (EXPECTED)

Authorised Share Capital	Amount (INR)
4,98,40,000 equity shares of Rs. 5/- each	24,92,00,000
1,60,000 Unclassified shares of Rs. 5/- each	8,00,000
<b>Total</b>	<b>25,00,00,000</b>
<b>Issued Capital</b>	
98,10,329 equity shares of Rs. 5 each	4,90,51,645
<b>Total</b>	<b>4,90,51,645</b>
<b>Subscribed and Paid Up Capital</b>	
98,10,329 equity shares of Rs. 5 each	4,90,51,645
<b>Total</b>	<b>4,90,51,645</b>

52. In the event that the Scheme is withdrawn in accordance with its terms, the Scheme shall stand revoked, cancelled and be of no effect and null and void.

53. The following documents will be open for inspection by the unsecured creditors of the Transferee Company at its registered office at A-1601, Thane One, 'DIL' Complex, Ghodbunder Road, Majiwade, Thane (W) – 400 610, Maharashtra, India between 10: 00 a.m. and 02:00 p.m. on all days (except Saturdays, Sundays and public holidays) up to the date of the meeting :

- i. Copy of the Order passed by NCLT in Company Scheme Application No. 1394 of 2018 dated June 6, 2019 directing Transferee Company to,

*inter alia*, convenes the meeting of its equity shareholders and creditors;

- II. Copy of Company Scheme Application No. 1394 of 2018 along with annexure filed by the Transferee Company before NCLT;
- III. Copy of the Memorandum and Articles of Association of DIL and FBL;
- IV. Copy of the annual reports of DIL and FBL for the financial years ended 31<sup>st</sup> March, 2017, 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2019;
- V. Copy of the Audited financial statements of DIL and FBL for the financial year ended on 31<sup>st</sup> March, 2019;
- VI. List of Subsidiary Companies, joint ventures and associates of DIL and FBL as on the date of this notice
- VII. Copy of the Register of Directors' shareholding of DIL;
- VIII. Copy of audit Committee Report dated 21<sup>st</sup> June, 2018 of DIL and FBL;
- IX. Copy of the resolutions, dated 21<sup>st</sup> June, 2018, passed by the Board of Directors of DIL and FBL approving the Scheme;
- X. Copy of the extracts of the minutes of the meetings, held on 21<sup>st</sup> June, 2018, of the Board of Directors of DIL and FBL, in respect of the approval of the Scheme;
- XI. Copy of the Valuation Report dated 21<sup>st</sup> June, 2018 of N S Kumar & Co., Independent Chartered Accountants, describing the methodology adopted by them in arriving at the share exchange ratio;
- XII. Copy of the Fairness Opinion dated 21<sup>st</sup> June, 2018 prepared by Keynote Corporate Services Limited, a SEBI Registered Merchant Banker, providing the Fairness Opinion on the share exchange ratio as recommended by N S Kumar & Co.;
- XIII. Copy of the Statutory Auditors' certificate dated 05<sup>th</sup> July, 2018 issued by Deloitte Haskins & Sells LLP., Chartered Accountants to DIL, confirming the compliance of the accounting treatment as specified by Central Government in Section 133 of the Companies Act, 2013;
- XIV. Copy of abridged prospectus providing an information pertaining to the unlisted entity i.e. FBL, involved in the scheme as per the format specified in Part D of Schedule VIII of the ICDR Regulations along with a copy of certificate from the Merchant Banker confirming the adequacy and accuracy of the information contained in above

document on unlisted company in terms of Para 3(a) of Part I(A) of the SEBI circular dated 10<sup>th</sup> March, 2017.

- XV. Copy of the Observation letter dated 06<sup>th</sup> November, 2018 issued by the BSE Limited to DIL;
- XVI. A copy of Complaint report dated October 8, 2018 of DIL Limited filed with the BSE Limited in terms of Para 6(a) of Part I(A) of the SEBI circular dated 10<sup>th</sup> March, 2017.
- XVII. Copy of Form No.GNL-1 filed by DIL with the concerned Registrar of Companies along with challan dated 7th day of June, 2019, [actual date of filing] evidencing filing of the Scheme with the concerned Registrar of Companies;
- XVIII. Copy of the certificates, dated 31st May, 2019 and 3rd June, 2019 issued by M/s. Anil Dikshit & Co., Independent Chartered Accountants, certifying the amount due to the Unsecured and Secured Creditors, respectively, of DIL and FBL as on 31st March, 2019;
- XIX. Copy of the Scheme; and
- XX. Copy of the Report dated 21<sup>st</sup> June, 2018 adopted

by the Board of Directors of DIL and FBL, pursuant to the provisions of section 232(2)(c) of the Act.

- 54. This statement may be treated as an Explanatory Statement under Sections 230(3), 232(1), 232 (2) and 102 of the Act read with Rule 6 of the Rules. A copy of the Scheme, Explanatory Statement and Form of Proxy shall be furnished by DIL to its unsecured creditors, free of charge, within one (1) day (except Saturdays, Sundays and public holidays) on a requisition being so made for the same by the unsecured creditors of DIL.
- 55. After the Scheme is approved, by the equity shareholders and creditors of DIL it will be subject to the approval / sanction by NCLT.

**Sd/-**

**Siddarth Thakur**

Chairman appointed for the meeting

Dated this 7th day of June, 2019.

**Registered office:**

A-1601, Thane One, 'DIL' Complex,  
Ghodbunder Road, Majiwade,  
Thane (West) – 400 610,  
Maharashtra, India.



## ANNEXURE 1

**SCHEME OF AMALGAMATION  
UNDER SECTIONS 230 TO 232  
AND OTHER APPLICABLE PROVISIONS  
OF THE COMPANIES ACT, 2013  
OF  
FERMENTABIOTECH LIMITED  
(THE “TRANSFEROR COMPANY”)**

**AND**

**DIL LIMITED  
(THE “TRANSFeree COMPANY”)**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS**

### **GENERAL**

#### **A. Description of Companies and Background:**

- I. **Fermenta Biotech Limited**, Transferor Company (CIN:U99999MH1986PLC134021) is an unlisted public limited company incorporated under the Companies Act, 1956 having its registered office at A-1501, Thane One, ‘DIL’ Complex, Ghodbunder Road, Majiwade, Thane (W) – 400 610, Maharashtra, India (hereinafter referred to as the “**Transferor Company**”). The Transferor Company is engaged in the business of manufacturing and marketing of chemicals, active pharmaceutical ingredients (‘API’), enzymes, pharmaceutical formulations and environmental solution products. The Transferor Company is a subsidiary of the Transferee Company.
- II. **DIL Limited**, Transferee Company (CIN: L99999MH1951PLC008485) is a listed public limited company incorporated under the Companies Act, 1913 having its registered office at A-1601, Thane One, ‘DIL’ Complex, Ghodbunder Road, Majiwade, Thane (W) – 400 610, Maharashtra, India (hereinafter referred to as the “**Transferee Company**”). The Transferee Company was originally incorporated to engage in the business of manufacturing and marketing of drugs and pharmaceuticals, chemicals, cosmetics and toiletries products under the name International Franchise Private Limited. In 1971, its name was changed to Crookes Interfran Limited which was further changed to Duphar-Interfran Limited and post demerger of its formulation business to Solvay Pharma India Limited in 2001 to DIL Limited. The Transferee Company is majorly into the business of manufacturing and marketing of chemicals, API, enzymes, pharmaceutical formulations and environmental solution products, through its subsidiary and is also engaged in the business of renting of properties.
- III. The Transferor Company is a majority owned subsidiary of the Transferee Company as the 91.20% of issued, subscribed and paid-up share capital of the Transferor Company is held by the Transferee Company as on the date of this Scheme.
- IV. The Transferee Company’s equity shares are listed on the BSE Limited.
- V. This Scheme of Amalgamation provides for the amalgamation of the Transferor Company with the Transferee Company and other consequential matters pursuant to Sections 230 to 232 and other relevant provisions of the Companies Act, 2013.

#### **B. Rationale for the Scheme**

The Transferee Company is holding 91.20% equity stake in the Transferor Company. In order to consolidate and effectively manage the Transferor Company and the Transferee Company in a single entity and to achieve *inter-alia* economies of scale and efficiency, the merger is being undertaken. The amalgamation of the Transferor Company with the Transferee Company would *inter alia* have the following benefits:

- (a) Amalgamation to be value accretive to the shareholders of the Transferee Company as the shareholders would have direct access to the core business of the Transferor Company;
- (b) Greater integration and greater financial strength and flexibility for the amalgamated entity, which would result in maximising overall shareholder value;
- (c) Greater efficiency in cash management of the Transferee Company and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize shareholder value;
- (d) Improved organizational capability and leadership, arising from the pooling of human capital having diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry;
- (e) Cost savings are expected to flow from more focused operational efforts, rationalization, standardisation and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses;
- (f) Reduction in the multiplicity of legal and regulatory compliances required at present to be separately carried out by the Transferor Company and the Transferee Company;
- (g) To optimally leverage the larger assets base and cash flow of the amalgamated entity;
- (h) Amalgamation will result in the Transferee Company directly controlling and managing the business of the Transferor Company which would lead to simplification of the shareholding structure and reduction of shareholding tiers; and
- (i) To meet the covenants for taking loan facility and to avail the incentivised reduction in the interest rates from lenders in respect of the borrowings.

In view of the aforesaid, the Board of Directors of the Transferor Company and the Transferee Company have considered and proposed the amalgamation of the entire undertaking and business of the Transferor Company with the Transferee Company in order to benefit the stakeholders of both the companies. Accordingly, the Board of Directors of the Transferor Company and the Transferee Company have formulated this Scheme of Amalgamation for the transfer and vesting of the entire undertaking and business of the Transferor Company with and into the Transferee Company pursuant to the provisions of Section 230 to Section 232 and other relevant provisions of the companies Act, 2013.

- C. Under the Scheme, there is no arrangement with the creditors, either secured or unsecured of the Transferor and/or the Transferee Company. No compromise is offered under the Scheme to any of the creditors of the Transferor and/or the Transferee Company. The liability of the creditors of the Transferor and/or the Transferee Company, under the Scheme, is neither being reduced nor being extinguished.

**D. Parts of the Scheme:**

This Scheme of Amalgamation is divided into the following parts:

- (i) **Part I** deals with definitions of the terms used in this Scheme of Amalgamation and sets out the share capital of the Transferor Company and the Transferee Company;
- (ii) **Part II** deals with the transfer and vesting of the Undertaking (as hereinafter defined) of the Transferor Company to and in the Transferee Company;
- (iii) **Part III** deals with the issue of new equity shares by the Transferee Company to the eligible shareholders of the Transferor Company, as applicable;
- (iv) **Part IV** deals with the accounting treatment for the amalgamation in the books of the Transferee Company and dividends;
- (v) **Part V** deals with the dissolution of the Transferor Company and the general terms and conditions applicable to this Scheme of Amalgamation and other matters consequential and integrally connected thereto.

**PART I**

**DEFINITIONS AND SHARE CAPITAL**

**1. DEFINITIONS**

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meaning:

- 1.1. **“The Act”** means the Companies Act, 2013, the rules and regulations made thereunder and will include any statutory re-enactment or amendment(s) thereto, from time to time;
- 1.2. **“Appointed Date”** for the purpose of this Scheme and for the IT Act, means the opening of business hours on 1<sup>st</sup> April 2018;
- 1.3. **“Board of Directors”** or **“Board”** means the board of directors of the Transferor Company or the Transferee Company, as the case may be, and shall include a duly constituted committee thereof or any person authorised by the Board or such committee;
- 1.4. **“BSE”** means BSE Limited;
- 1.5. **“Effective Date”** means the last of the dates on which the certified or authenticated copies of the orders of the National Company Law Tribunal sanctioning the Scheme are filed with the respective Registrar of Companies by the Transferor Company and by the Transferee Company.  
  
Any references in this Scheme to the date of **“coming into effect of this Scheme”** or **“effectiveness of this Scheme”** or **“Scheme taking effect”** shall mean the Effective Date;
- 1.6. **“Eligible Employees”** means the employees who are eligible for the Stock Option Scheme of the Transferor Company;
- 1.7. **“ESOP”** means the Employees Stock Option Scheme of the Transferor Company pursuant to which eligible employees of the Transferor Company are entitled to be issued shares in the Transferor Company upon exercise of a stock option;
- 1.8. **“Governmental Authority”** means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction over the territory of India including but not limited to Securities and Exchange Board of India, Stock Exchange, Registrar of Companies, NCLT;
- 1.9. **“ISO”** means International Organisation for Standardisation;
- 1.10. **“IT Act”** means the Income Tax Act, 1961, of India, including any statutory modifications, re-enactments or amendments thereof for the time being in force;
- 1.11. **“MAT Credit”** means Minimum Alternate Tax credit;
- 1.12. **“MEIS”** means Merchandise Exports from India Scheme;
- 1.13. **“NCLT”** means the National Company Law Tribunal, Bench at Mumbai, having jurisdiction in relation to the Transferee Company and the Transferor Company;
- 1.14. **“Registrar of Companies”** means the Registrar of Companies, Maharashtra at Mumbai;
- 1.15. **“Record Date”** means the date to be fixed by the Board of Directors of the Transferee Company in consultation with the Board of Directors of the Transferor Company which shall either be the Effective Date, or a date after the Effective Date, for the issue and allotment of fully paid up equity shares of the Transferee Company to the shareholders of the Transferor Company pursuant to the Scheme upon amalgamation of the Transferor Company into the Transferee Company;
- 1.16. **“Scheme”** means this Scheme of Amalgamation between the Transferor Company and the Transferee Company and their respective shareholders, pursuant to Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 in its present form, and/or as submitted to the NCLT together with any modification(s) approved or directed by the NCLT;
- 1.17. **“SEBI”** means Securities and Exchange Board of India established through the SEBI Act, 1992;
- 1.18. **“SGST, CGST and IGST”** means the State Goods and Services Tax, the Central Goods and Services Tax and Integrated Goods and Services Tax;
- 1.19. **“Share Exchange Ratio”** means the ratio in which equity shares of the Transferee Company are to be issued and allotted to the shareholders of the Transferor Company under Clause 12;
- 1.20. **“Stock Exchange”** means BSE Limited where the shares of the Transferee Company are listed;

- 1.21. “Transferor Company”** means **Fermenta Biotech Limited** (CIN:U99999MH1986PLC134021), a company incorporated under the Companies Act, 1956 having its registered office at A-1501, Thane One, ‘DIL’ Complex, Ghodbunder Road, Majiwade, Thane (W) – 400 610, Maharashtra, India;
- 1.22. “Transferor ESOP Scheme”** means the Employees Stock Option Scheme of the Transferor Company pursuant to which eligible employees of the Transferor Company are entitled to be issued shares in the Transferor Company upon exercise of a stock option;
- 1.23. “Transferor Option”** means a stock option granted under an ESOP Scheme of the Transferor Company;
- 1.24. “Tax(s)”** means the advance tax, the tax deducted at source, deferred tax payment, the income tax under IT Act and any such direct or indirect taxes as may be applicable to the Transferor and Transferee Companies;
- 1.25. “Transferee Company”** means **DIL Limited** (CIN: L99999MH1951PLC008485) a company incorporated under the Companies Act, 2013. having its registered office at A-1601, Thane One, ‘DIL’ Complex, Ghodbunder Road, Majiwade, Thane (W) – 400 610, Maharashtra, India;
- 1.26. “Undertaking”** means the whole of the undertaking and entire business of the Transferor Company as a going concern, including (without limitation):
- I. All the assets and properties (whether movable or immovable, tangible or intangible, real or personal, corporeal or incorporeal, present, future or contingent) of the Transferor Company, including but not limited to land (freehold/leasehold), plant and machinery, equipment, buildings and structures, offices, residential and other premises, furniture, fixtures, office equipment, appliances, accessories, depots, deposits, all stocks, assets, investments of all kinds (including shares, scrips, stocks, bonds, debenture stocks, units), and interests, cash balances or deposits with banks, loans, advances, disbursements, contingent rights or benefits, book debts, receivables, actionable claims, insurance claims, insurance policies, earnest moneys, advances or deposits paid by the Transferor Company, financial assets, leases (including lease rights), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, municipal permissions, tenancies in relation to the office and/or residential properties for the employees or other persons, guest houses, godowns, warehouses, licenses, fixed and other assets, trade and service names and marks, patents, copyrights, and other intellectual property rights of any nature whatsoever, know how, goodwill, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, subsidiaries, joint ventures, associates, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights including, title, interests, other benefits (including tax benefits), easements, privileges, liberties, mortgages, hypothecations, pledges or other security interests created in favour of the Transferor Company and advantages of whatsoever nature and wheresoever situated in India or abroad, belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company, whether in India or abroad;
  - II. All liabilities including, without being limited to, secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations of the Transferor Company, of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised;
  - III. All agreements, rights, contracts, entitlements, permits, licenses, approvals, authorizations, concessions, consents, quota rights, engagements, arrangements, authorities, allotments, security arrangements (to the extent provided herein), benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the Transferor Company;
  - IV. All records, files, papers, computer programs, manuals, data, catalogues, sales material, lists of customers and suppliers, other customer information and all other records and documents relating to the business activities and operations of the Transferor Company;
  - V. All permanent employees engaged by the Transferor Company as on the Effective Date.

- VI. All quotas, rights, entitlements, export/import incentives and benefits including advance licenses, MEIS, all kinds of duty drawbacks, bids, tenders (at any stage as it may be), letters of intent, expressions of interest, development rights (whatever vested or potential and whether under agreements or otherwise), subsidies, tenancies in relation to office, benefit of any deposits / privileges, all other rights, receivables, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions and benefits of all agreements, contracts and arrangements, including technological licensing agreements, and benefits including but not limiting to all other interests in connection with or relating thereto;
- VII. All brand names, trademarks, trade names, patents and domain names, the intellectual property in relation to AND As (Abbreviated New Drug Application), Certificate of Pharmaceutical Products (CoPPs), Certificate of Suitability (CoS) registrations; applications and authorizations of pharmaceutical products with governmental authorities in any jurisdiction (in so far as such pharmaceutical products pertain to the Undertaking), filings, dossiers copyrights, industrial designs, trade secrets, know-how; ongoing research projects, data, formulations, technology, methodology, manufacturing procedures and techniques, test procedures, product registrations, applications and authorizations, Star Export House recognition and other intellectual property (in India or outside India) and all other interests exclusively relating to the goods or services being dealt with by the Transferor Company;
- VIII. All intellectual property rights created, developed or invented by employees concentrated on the research, development or marketing of products (including process development or enhancement) in connection with the Transferor Company;
- IX. All benefits and privileges under letters of permission and letters, of approvals in respect of Special Economic Zones and Export Oriented Units and the benefits related thereto, all tax credits, including SGST, CGST and IGST credits, refunds, reimbursements, claims, exemptions, benefits under service tax laws, value added tax, purchase tax, sales tax, MEIS, entry tax in Himachal Pradesh or any other duty or tax or cess or imposts under central or state law including sales tax deferrals, advance taxes, tax deducted at source, right to carry forward and set-off unabsorbed losses, if any and depreciation, MAT Credit, deductions and benefits under the IT Act, as well as any recognition of the In-house Research and Development unit with the Department of Scientific & Industrial Research or any Government Authority;

1.27. “US FDA” means United States Food and Drug Administration;

1.28. All capitalized terms not defined but used in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations and byelaws, as the case may be, or any statutory amendment(s) or re-enactment thereof, for the time being in force.

## 2. SHARECAPITAL

### 2.1. Transferor Company:

The Authorised, Issued, Subscribed and Paid-up share capital of the Transferor Company as on March 31, 2018 was as under:

Particulars	Amount (INR)
<b>Authorised Share Capital</b>	
19,010,000 Equity Shares of INR 10/- each	19,01,00,000
9,90,000 Preference Shares of INR 10/- each	99,00,000
<b>Total</b>	<b>20,00,00,000</b>
Issued, Subscribed and Paid Up Share Capital	
18,192,844 Equity Shares of INR 10/- each	18,19,28,440
<b>Total</b>	<b>18,19,28,440</b>

Subsequent to March 31, 2018 there is no change in the capital structure of the Transferor Company. Transferor Company is majority owned subsidiary of the Transferee Company as 91.20% issued, subscribed and paid up share capital of the Transferor Company is held by the Transferee Company as on the date.

## 2.2. Transferee Company:

The Authorised, Issued, Subscribed and Paid-up share capital of the Transferee Company as on March 31, 2018 was as under:

Particulars	Amount (INR)
<b>Authorised Share Capital</b>	
49,20,000 Equity Shares of INR. 10/- each	4,92,00,000
80,000 unclassified shares of INR. 10/- each	8,00,000
<b>Total</b>	<b>5,00,00,000</b>
Issued, Subscribed and Paid Up Share Capital	
22,93,198 Equity Shares of INR. 10/- each	2,29,32,000
<b>Total</b>	<b>2,29,32,000</b>

Subsequent to March 31, 2018, there was a change in the capital structure of the Transferee Company pursuant to the meeting of the Board of Directors of the Transferee Company, held on June 18, 2018, recommending and approving (a) Split/sub-division of shares from face value of INR.10/- each to face value of INR.5/- each; (b) Post split, bonus shares of 1:1. The Shareholders of the Transferee Company vide their approval by way of postal ballot including e-voting dated July 25, 2018, have approved the revised capital structure of the Transferee Company.

The Authorised, Issued, Subscribed and Paid-up share capital of the Transferee Company as on July 31, 2018 was as under:

Particulars	Amount (INR)
<b>Authorised Share Capital</b>	
98,40,000 Equity Shares of INR. 5/- each	4,92,00,000
1,60,000 unclassified shares of INR. 5/- each	8,00,000
<b>Total</b>	<b>5,00,00,000</b>
Issued, Subscribed and Paid Up Share Capital	
91,72,792 Equity Shares of INR. 5/- each	4,58,63,960
<b>Total</b>	<b>4,58,63,960</b>

The equity shares of Transferee Company are, at present, listed on the BSE Limited.

## 3. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modifications approved or imposed or directed by NCLT shall be effective from the Appointed Date but shall be operative from the Effective Date.

## PART II

### TRANSFER AND VESTING OF UNDERTAKING

## 4. TRANSFER OF UNDERTAKING

4.1. Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Undertaking, pursuant to the sanction of this Scheme by NCLT under and in accordance with the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, shall stand transferred to and be vested in or be deemed to have been transferred to and vested in the Transferee Company, as a going concern without any further act, instrument, deed, matter or thing to be made, done or executed so as to become, as and from the Appointed Date, the Undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme.

**4.2.** Subject to the provisions of this Scheme as specified hereinafter and with effect from the Appointed Date, the entire Undertaking of the Transferor Company, including all the debts, liabilities, losses, duties and obligations, including those arising on account of taxation laws and other allied laws of the Transferor Company of every description and also including, without limitation, all the movable and immovable properties and assets, Tangible or Intangible assets (whether or not recorded in the books of account of the Transferor Company) of the Transferor Company comprising, amongst others, all freehold land including a freehold land at Kullu, Himachal Pradesh, all leasehold land including a leasehold land at Dahej, Gujarat, buildings, plants and machineries, motor vehicles, manufacturing facilities, laboratories, furniture and fixtures, computers, computer software and its licenses, office equipments, electrical installations, generators, containers, telephones, telex, facsimile and other communication facilities, receivables, actionable claims, insurance claims, business licenses, licenses under Factories Act, manufacturing licenses, permits, deposits, authorisations, approvals (including under MEIS), recognitions including Star Export House, Certificate of Suitability for cholecalciferol, WHO-GMP (World Health Organisation – Goods Manufacturing Practices), ISO 9001:2008, ISO 14001:2004, FAMI-QS (Feed Additive and Premixture Quality System), BS OHSAS 18001:2007 (Occupational Health and Safety Assessment Series), HACCP (Hazard Analysis and Critical Control Points), Halal, Kosher, Vegetarian Society Certificate, United Kingdom, American Vegetarian Association Certificate, US FDA EIR (Establishment Inspection Report), Certificate of Suitability ((European Pharmacopoeia)) for cholecalciferol, NSF Certification, Written Confirmation Both manufacturing facilities are registered with the FFRM (Food Facility Registration Module), which operates under the aegis of the USFDA, BRC Certificate (British Retail Consortium), FSSC 22000 Certificate (Food Safety System Certification), Medsafe New Zealand Certification and any other certificates relating to the product, factory facilities and registrations granted by the Department of Scientific & Industrial Research to the in-house research and development units established, insurance cover of every description, lease, tenancy rights, permissions, incentives, if any, and all other rights, patents, know-how, trademark, service mark, trade secret, brands, registrations, licenses including Export Oriented Unit licences/advance licences, Special Economic Zones registrations, marketing authorisations and other intellectual property rights, proprietary rights, title, interest, contracts, no objection certificates, deeds, bonds, consents, approvals and rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages and benefits, approvals, filings, dossiers, copyrights, industrial designs, trade secrets, know-how, ongoing research projects, data, formulations, technology, methodology, manufacturing procedures and techniques, test procedures, brand names, trade names and domain names, and all other interests in connection with or relating to and product registrations, applications and authorisations for product registrations and all other interests exclusively relating to the SGST, CGST and IGST, Good Manufacturing Practice Certificates, Abbreviated New Drug Applications approved by the U.S. Food and Drug Administration and others including Certificate of Suitability for cholecalciferol, WHO-GMP, ISO 9001:2008, ISO 14001:2004, FAMI-QS, BS OHSAS 18001:2007, HACCP, Halal, Kosher, Vegetarian Society Certificate, United Kingdom, American Vegetarian Association Certificate, US FDA EIR, Certificate of Suitability (CEP) for cholecalciferol, NSF Certification, Both manufacturing facilities are registered with the FFRM (Food Facility Registration Module), which operates under the aegis of the USFDA, BRC Certificate, FSSC 22000 Certificate, Medsafe New Zealand Certification shall, under the provisions of Sections 230 to 232 of the Act, and pursuant to the order of the NCLT, sanctioning this Scheme and without further act, instrument or deed, but subject to the charges affecting the same as on the Effective Date, be transferred and/or deemed to be transferred to and vested in the Transferee Company, so as to become the properties, assets, rights, business, certificates and Undertaking of the Transferee Company.

**4.3. Transfer of Assets:**

**4.3.1.** Without prejudice to the generality of Clause 4.1 and 4.2 above, upon the coming into effect of this Scheme and with effect from the Appointed Date:

**4.3.1.1.** All the assets and properties comprised in the Undertaking of whatsoever nature and wheresoever situated, shall, under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act or deed, be and stand transferred to and vested in the Transferee Company or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become the assets and properties of the Transferee Company. The Transferor Company shall transfer without any further act or deed immoveable properties in the state of Himachal Pradesh, and it is hereby clarified that in view of clarification no B.E. (10)-154/2009 from the Department of Revenue, Government of Himachal Pradesh, that there shall be no stamp duty payable on such transfer.

- 4.3.1.2.** Without prejudice to the provisions of Clause 4.3.1.1. above, in respect of such of the assets and properties of the Undertaking as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and/or delivery, the same shall be so transferred by the Transferor Company and shall, upon such transfer, become the assets and properties of the Transferee Company as an integral part of the Undertaking, without requiring any separate deed or instrument or conveyance for the same.
- 4.3.1.3.** In respect of movables other than those dealt with in Clause 4.3.1.2 above including sundry debts, receivables, insurance claims, bills, credits, loans and advances of the Undertaking, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any Governmental Authority or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Transferee Company.
- 4.3.1.4.** All interests of the Transferor Company in their respective subsidiaries as on the Appointed Date will become the interests and subsidiaries of the Transferee Company.
- 4.3.1.5.** All the licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether before or after the Appointed Date, shall, under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become as and from the Appointed Date licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.
- 4.3.2.** The Transferor Company shall, if so required, also give notice in such form as it may deem fit and proper to the debtors/vendors, that pursuant to the sanction of this Scheme by NCLT, under and in accordance with Sections 230 and 232 and all other applicable provisions, if any, of the Act, the said debtors/vendors should pay to the Transferee Company the debt, loan or advance or make the same on account of the Transferor Company and the right of the Transferor Company to recover or realize the same stands extinguished.
- 4.3.3.** All assets and properties of the Transferor Company as on the Appointed Date, whether or not included in the books of the Transferor Company, and all assets and properties which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of the Transferee Company, and shall under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme.

Provided however that no onerous assets shall have been acquired by the Transferor Company after the Appointed Date without the consent of the Transferee Company as provided for in this Scheme.

#### **4.4. Transfer of Liabilities:**

- 4.4.1.** Upon the coming into effect of this Scheme and with effect from the Appointed Date, all liabilities relating to and comprised in the Undertaking including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations and undertakings of the Transferor Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations (herein referred to as the “**Liabilities**”), shall, pursuant to the sanction of this Scheme by the NCLT under and in accordance with the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, along with any charge, encumbrance, lien or security thereon, and the same shall be assumed by the



Transferee Company to the extent they are outstanding as on the Effective Date so as to become as and from the Appointed Date the liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same and, further, it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such Liabilities have arisen in order to give effect to the provisions of this Clause.

- 4.4.2. All debts, liabilities, duties and obligations of the Undertaking as on the Appointed Date, whether or not provided in the books of the Transferor Company, and all debts and loans raised, and duties, liabilities and obligations incurred or which arise or accrue to the Undertaking on or after the Appointed Date till the Effective Date, shall be deemed to be and shall become the debts, loans raised, duties, liabilities and obligations incurred by the Transferee Company by virtue of this Scheme.
- 4.4.3. Where any such debts, loans raised, liabilities, duties and obligations of the Undertaking as on the Appointed Date have been discharged or satisfied by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge or satisfaction shall be deemed to be for and on account of the Transferee Company.
- 4.4.4. Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Undertaking and the Transferee Company shall, *ipso facto*, stand discharged and come to an end and there shall be no liability in that behalf on any party and appropriate effect shall be given in the books of accounts and records of the Transferee Company.

#### 4.5. Encumbrances

- 4.5.1. The transfer and vesting of the assets comprised in the Undertaking to and in the Transferee Company under Clauses 4.1, 4.2 and 4.3 of this Scheme shall be subject to the mortgages and charges, if any, affecting the same, as and to the extent hereinafter provided.
- 4.5.2. All the existing securities, mortgages, charges, encumbrances or liens (the “**Encumbrances**”), if any, as on the Appointed Date and created by the Transferor Company after the Appointed Date, over the assets comprised in the Undertaking or any part thereof transferred to the Transferee Company by virtue of this Scheme and in so far as such Encumbrances secure or relate to liabilities of the Transferor Company, the same shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Transferee Company, and such Encumbrances shall not relate or attach to any of the other assets of the Transferee Company, provided however that no Encumbrances shall have been created by the Transferor Company over its assets after the Appointed Date without the consent of the Transferee Company as provided for in this Scheme.
- 4.5.3. The existing Encumbrances over the assets and properties of the Transferee Company or any part thereof which relate to the liabilities and obligations of the Transferee Company prior to the Effective Date shall continue to relate only to such assets and properties and shall not extend or attach to any of the assets and properties of the Undertaking transferred to and vested in the Transferee Company by virtue of this Scheme.
- 4.5.4. Any reference in any security documents or arrangements (to which the Transferor Company is a party) to the Transferor Company and its assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Company transferred to the Transferee Company by virtue of this Scheme. Without prejudice to the foregoing provisions, the Transferor Company and the Transferee Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge(s), with the Registrar of Companies to give formal effect to the above provisions, if required.
- 4.5.5. Upon the coming into effect of this Scheme, the Transferee Company alone shall be liable to perform all obligations in respect of the Liabilities, which have been transferred to it in terms of the Scheme.
- 4.5.6. It is expressly provided that, no other term or condition of the Liabilities transferred to the Transferee Company is modified by virtue of this Scheme except to the extent that such amendment is required statutorily or by necessary implication.

**4.5.7.** The provisions of this Clause 4.5 shall operate in accordance with the terms of the Scheme, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall be deemed to stand modified and/or superseded by the foregoing provisions.

**4.6. Inter - se Transactions:**

Without prejudice to the provisions of Clauses 4.1 to 4.5, with effect from the Appointed Date, all inter-se transactions between the Transferor Company and the Transferee Company shall be considered as intra-se transactions for all purposes. Further, it is clarified that any taxes in the form of income-tax, goods and service tax, service tax, works contract tax, value added tax etc paid on account of such transactions, shall be deemed to have been paid by or on behalf of the Transferee Company and on its own account and therefore, the Transferee Company will be eligible to claim the credit / refund of the same and is also entitled to revise its return to give effect to the same.

**5. CONTRACTS, DEEDS, ETC.**

**5.1.** Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements, assurances and other instruments of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect by, for or against or in favour of, as the case may be, the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee or obligor thereto or thereunder.

**5.2.** Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company from the Appointed Date and up to the Effective Date and, thereafter, for such period as may be decided by the Board of the Transferee Company to give effect to the Scheme.

**5.3.** For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Company shall without any further act or deed, stand transferred to the Transferee Company, as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company. The Transferee Company shall receive relevant approvals from the concerned Governmental Authorities as may be necessary in this behalf.

**6. LEGAL PROCEEDINGS**

On and from the Appointed Date, all suits, actions, claims and legal proceedings by or against the Transferor Company pending and/or arising on or before the Effective Date shall be continued and / or enforced as desired by the Transferee Company and on and from the Effective Date, shall be continued and/or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been originally instituted and/or pending and/or arising by or against the Transferee Company. On and from the Effective Date, the Transferee Company shall have the right to initiate, defend, compromise or otherwise deal with any legal proceedings relating to the Undertaking, in the same manner and to the same extent as would or might have been initiated by the Transferor Company as the case may be, had the Scheme not been made; If any suit, appeal or other proceedings relating to the Undertaking, of whatever nature by or against the Transferor Company be pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the amalgamation of the Undertaking or by anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made.

## **7. CONDUCT OF BUSINESS**

- 7.1.** With effect from the Appointed Date and up to and including the Effective Date:
- 7.1.1.** The Transferor Company shall carry on and shall be deemed to have carried on all its business and activities as hitherto and shall hold and stand possessed of and shall be deemed to have held and stood possessed of the Undertaking on account of, and for the benefit of and in trust for, the Transferee Company.
  - 7.1.2.** All the profits or income accruing or arising to the Transferor Company, and all expenditure or losses arising or incurred (including all taxes, if any, paid or accruing in respect of any profits and income) by the Transferor Company shall, for all purposes, be treated and be deemed to be and accrue as the profits or income or as the case may be, expenditure or losses (including taxes) of the Transferee Company.
  - 7.1.3.** Any of the rights, powers, authorities and privileges attached or related or pertaining to and exercised by or available to the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of and as agent for the Transferee Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Undertaking that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken or discharged for and on behalf of and as agent for the Transferee Company.
- 7.2.** With effect from the date of approval of this Scheme by the Board of the respective companies and up to and including the Effective Date:
- 7.2.1.** The Transferor Company shall preserve and carry on their business and activities with reasonable diligence and business prudence and shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts nor incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments either for itself or on behalf of its group Company or any third party or sell, transfer, alienate, charge, mortgage or encumber or deal with the Undertaking or any part thereof save and except in each case in the following circumstances:
    - 7.2.1.1.** if the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with NCLT; or
    - 7.2.1.2.** if the same is permitted by this Scheme; or
    - 7.2.1.3.** if consent of the Board of Directors of the Transferee Company has been obtained.
  - 7.2.2.** The Transferor Company shall not take, enter into, perform or undertake, as applicable (i) any material decision in relation to its business and operations other than decisions already taken prior to approval of the Scheme by the Board of Directors of the Transferor Company (ii) any agreement or transaction; and (iii) any new business, or discontinue any existing business or change the capacity of facilities; (iv) such other matters as the Transferee Company may notify from time to time save and except in each case in the following circumstances:
    - 7.2.2.1.** if the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with NCLT; or
    - 7.2.2.2.** if the same is permitted by this Scheme; or
    - 7.2.2.3.** if consent of the Board of Directors of the Transferee Company has been obtained.

## **8. STAFF WORKMEN AND EMPLOYEES**

Upon the coming into effect of this Scheme:

- 8.1.** All the permanent employees of the Transferor Company who are in its employment as on the Effective Date shall become the permanent employees of the Transferee Company with effect from the Effective Date without any break or interruption in service and on terms and conditions as to employment and remuneration not less favourable than those on which they are engaged or employed by the Transferor Company. It is clarified that the employees of the Transferor Company who become employees of the Transferee Company by virtue of this Scheme, shall not be entitled to the employment policies and shall not be entitled to avail of any schemes and benefits that may be applicable and available to any of the employees of the Transferee Company (including the benefits of or under any employee stock option schemes applicable to or covering all or any of

the employees of the Transferee Company), unless otherwise determined by the Board of Directors of the Transferee Company. The Transferee Company undertakes to continue to abide by any agreement/settlement, if any, validly entered into by the Transferor Company with any union/employee of the Transferor Company (as may be recognized by the Transferor Company).

- 8.2.** The existing provident fund, gratuity fund and pension and/or superannuation fund or trusts or retirement funds or benefits created by the Transferor Company or any other special funds created or existing for the benefit of the concerned permanent employees of the Transferor Company (collectively referred to as the "Funds") and the investments made out of such Funds shall, at an appropriate stage, be transferred to the Transferee Company to be held for the benefit of the concerned employees. The Funds shall, subject to the necessary approvals and permission and at the discretion of the Transferee Company, either be continued as separate funds of the Transferee Company for the benefit of the employees of the Transferor Company or be transferred to and merged with other similar funds of the Transferee Company. In the event that the Transferee Company does not have its own fund with respect to any such Funds, the Transferee Company may, subject to necessary approvals and permissions, continue to maintain the existing Funds separately and contribute thereto, until such time as the Transferee Company creates its own funds at which time the Funds and the investments and contributions pertaining to the employees of the Transferor Company shall be transferred to such funds of the Transferee Company.

### **PART III**

#### **9. INCREASE IN AUTHORIZED SHARE CAPITAL OF TRANSFEREE COMPANY**

- 9.1.** Upon the Scheme coming into effect, the authorised share capital of the Transferor Company (i.e. INR 20,00,00,000/- (Rupees Twenty Crores) shall be added to that of the Transferee Company and in the Memorandum of Association and Articles of Association, it shall be automatically stand enhanced without any further act, instrument or deed on the part of the Transferee Company, including payment of stamp duty and fees payable to Registrar of Companies and the Memorandum of Association and Articles of Association of the Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under sections 13, 14, 61, 64 of the Companies Act, 2013 or any other applicable provisions of the Companies Act 2013, would be required to be separately passed. For this purpose, the filing fees and stamp duty already paid by the Transferor Company on the authorised share capital shall be utilized and applied to the increased share capital of the Transferee Company and shall be deemed to have been so paid by the Transferee Company on such combined authorised share capital and accordingly, the Transferee Company shall not be required to pay any fees / stamp duty on the authorised share capital so increased.
- 9.2.** The capital clause being Clause V of the Memorandum of Association of the Transferee Company shall on the Effective Date stand substituted to read as follows: *"The Authorised Share Capital of the Company is INR 25,00,00,000 (Rupees Twenty Five Crores) divided into 4,98,40,000 equity shares of INR. 5/- each, and 1,60,000 Unclassified shares of INR. 5/- each with such rights, privileges and conditions as to security, redemption, conversion into equity shares, rate of dividend, right of accumulation of dividend etc., attaching thereto as are provided by the Articles of Association of the Company. The Company shall have power to increase or reduce, consolidate or sub-divide the Share Capital of the Company for the time being and from time to time divide the shares of the new Capital into several classes and denomination and to issue any shares of the original or further Share Capital of the Company for the time being with such preferential, qualified or special rights, privileges or conditions attached thereto respectively including rights to dividend in distribution of assets of the Company from time to time in accordance with the Articles of Association of the Company and subject to the provisions of the Companies Act, 2013, for the time being in force."*

#### **10. CHANGE OF NAME OF THE TRANSFEREE COMPANY**

With effect from the Effective Date, the name of the Transferee Company shall be Fermenta Biotech Limited or changed to such other name as may be approved by the Registrar of Companies. The change in the name of the Transferee Company shall be effected without any further act or deed and as an integral part of the Scheme itself and the order of the NCLT sanctioning this Scheme shall be deemed to be an order under provisions of the Act, confirming the change of name of the Transferee Company and dissolution of the Transferor Company without winding-up as provided under the Clause 18 herein below.

## **11. AMENDMENT TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF TRANSFEREE COMPANY**

**11.1.** Upon coming into effect of the Scheme, the following Clause No. I shall be inserted in the Name Clause of the Memorandum of Association of the Transferee Company:

Clause I of the Memorandum of Association: "The name of the Company is Fermenta Biotech Limited".

**11.2.** It shall be deemed that the members of Transferee Company have also resolved and accorded all relevant consents as required under the Act.

## **12. ISSUE OF SHARES BY THE TRANSFEREE COMPANY:**

**12.1.** Upon the coming into effect of this Scheme and its consideration thereof, the Transferee Company shall without any further application, act or deed, issue and allot ('Share Exchange Ratio') as follows:

"100 (Hundred) equity shares of INR. 5/- (Rupees Five only) each credited as fully paid-up of the Transferee Company for every 251 (Two Fifty One) equity shares of INR. 10/- (Rupees Ten only) held in the Transferor Company and whose names are recorded in the register of members on the Record Date."

**12.2.** If necessary the Transferee Company shall before allotment of the equity shares in term of the Scheme, increase its authorised share capital by such amount as it stands to the credit of the Transferor Company by creation of at least such number of equity shares as may be necessary to satisfy its obligation under the provisions of the Scheme in compliance with the applicable provision of the Act by paying the requisite fee with the statutory authority.

**12.3.** The equity shares so allotted by the Transferee Company to the shareholders of the Transferor Company will in all respect rank *pari passu* with the existing equity shares of the Transferee Company for dividend and voting rights, save and except that the holders of such equity shares shall not be entitled to dividend declared by the Transferee Company before the Effective Date.

**12.4.** Upon the coming into effect of the Scheme, the shareholders of the Transferor Company shall surrender their share certificates for cancellation thereof to the Transferee Company. Notwithstanding anything to the contrary, upon the new shares in the Transferee Company being issued and allotted by it to the equity shareholders of the Transferor Company whose names shall appear on the registers of members of the Transferor Company on the Record Date, the share certificates in relation to the shares held by them in the Transferor Company shall be deemed to have been cancelled and shall be of no effect from such issue and allotment.

**12.5.** For the purpose of this clause (a) no fractional certificates shall be issued by the Transferee Company in respect of the fractional entitlements, if any, and all such fractional entitlements shall be allotted to any of the director or officer of the Transferee Company as a trustee(s) for sale at the prevailing market price and the entire net proceeds subject to taxes shall be distributed to the persons entitled thereto in proportion to their respective fractional entitlements and (b) joint shareholders shall be treated as a single shareholder.

The new equity shares of the Transferee Company issued in terms of Clause 12.1 of this Scheme will be listed and/or admitted to trading on the Stock Exchange where the shares of the Transferee Company are listed and/or admitted to trading. The Transferee Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said Stock Exchange.

**12.6.** The issue and allotment of the equity shares as provided under this Scheme, is an integral part and therefore, shall be deemed to have been carried out without requiring any further act on the part of the Transferee Company or its shareholders and as if the procedure laid down under section 62 of the Act any other applicable provisions of the Act, as may be applicable, and such other statues and regulations as may be applicable were duly complied with except for making necessary filings under the Act to effectuate such issuance.

## **13. CANCELLATION OF SHARES:**

Upon the Scheme being effective, and in consideration of the transfer of and vesting of the Undertaking of the Transferor Company in the Transferee Company in terms of the Scheme, all the equity shares issued by the Transferor Company and held by the Transferee Company i.e. 91.20 % of the total equity shares of the Transferor Company, shall stand cancelled and extinguished and in lieu thereof, no allotment of any shares in the Transferee Company shall be made against those 91.20% of the total equity shares of the Transferor Company.

#### 14. ESOPs:

- 14.1. Upon the effectiveness of the Scheme, the Transferee Company shall issue stock options (“**Transferee Options**”) to employees of the Transferor Company holding the Transferor Options, if any, which shall entitle the Eligible Employees to purchase equity shares of the Transferee Company. The number of Transferee Options issued shall equal to the number of the Transferor Options (unvested) outstanding at the time of the effectiveness of the Scheme multiplied by the Share Exchange Ratio, with any fractional shares rounded down to the next higher whole number of shares. The terms and conditions applicable to the Transferee Options shall be no less favourable than those provided under the ESOP scheme. Such Transferee Options will be issued under a new employee stock option scheme created by the Transferee Company inter alia for the purpose of granting stock options to the Eligible Employees pursuant to the Scheme (“**Transferee ESOP Scheme**”).
- 14.2. Each Transferee Options shall have an exercise price per equity share of the Transferee Company equal to the quotient of the Transferor Options exercise price per equity share of the Transferor Company divided by the Share Exchange Ratio (rounded up to the nearest higher whole cent).
- 14.3. The grant of stock options to the Eligible Employees pursuant to the provisions of this Scheme, including this Clause 14, shall be effected as an integral part of the Scheme and the consent of the shareholders of the Transferor Company and the Transferee Company to the Scheme shall be deemed to be their consent in relation to all matters pertaining to the ESOP.
- 14.4. Schemes and the Transferee ESOP Scheme, including without limitation, for the purposes of creating the Transferee ESOP Scheme, modifying the ESOP Scheme and/or the Transferee ESOP Scheme, modifying the exercise price of the stock options under the ESOP Scheme and all related matters. No further approval of the shareholders of the Transferor Company or the Transferee Company would be required in this connection under any applicable law.
- 14.5. In relation to the Transferee Options granted by the Transferee Company to the Eligible Employees pursuant to this Scheme, in lieu of the Transferor Options granted to them under the ESOP Scheme, the period during which the stock options of the Transferor Company were held by or deemed to have been held by the Eligible Employees shall be taken into account for determining the minimum vesting period required under applicable law, the ESOP Scheme and the Transferee ESOP Scheme.
- 14.6. Subject to applicable laws, the adjustments to the exercise price per option and option entitlement of the Eligible Employees proposed under this Clause 14 shall be appropriately reflected in the financial statements of the Transferee Company.
- 14.7. The Boards of Directors of the Transferor Company and the Transferee Company shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this Section 14 of this Scheme in the best interests of the employees of the Transferor Company.

#### PART IV

#### ACCOUNTING TREATMENT

#### 15. ACCOUNTING TREATMENT IN THE BOOKS OF ACCOUNT OF TRANSFEE COMPANY

The Transferee Company shall account for amalgamation in accordance with Indian Accounting Standard (“IND AS”) 103 – “Business Combinations” prescribed under Section 133 of the Act and other generally accepted accounting principles in India.

The Transferee Company shall account for the transfer and vesting of the Assets and Liabilities of the Undertaking in its books of accounts as per the “Pooling of Interest” method prescribed under Appendix C to Indian Accounting Standard - 103 - “Business Combinations” prescribed under Section 133 of the Act read with the relevant rules issued thereunder and other generally accepted accounting principles in India as under:

- The Transferee Company shall, record all the assets and liabilities of the Undertaking vested in it pursuant to this Scheme at the respective carrying amounts. The financial information in the financial statements of the Transferee Company, to be prepared after the amalgamation, in respect of prior periods will be restated to include the financial information of the Transferor Company as if the business combination had occurred from the beginning of the preceding period in the financial statements.
- The identity of the reserves standing in the books of account of the Transferor Company shall be preserved and they shall appear in the financial statements of the Transferee Company in the same form, as they

appeared in the financial statements of the Transferor Company. As a result of preserving the identity, reserves which are available for distribution as dividend before the amalgamation would also be available for distribution as dividend after amalgamation.

- The balance of the retained earnings in the books of account of the Transferor Company shall be aggregated with the corresponding balance of retained earnings of the Transferee Company.
- As stated in Clause 13 above, no new shares will be issued or allotted by the Transferee Company, pursuant to this scheme, to the extent of paid up equity share of the Transferor Company held by the Transferee Company, and the investments in the shares of the Transferor Company appearing, inter alia, in the books of account of the Transferee Company shall stand cancelled. Further, the equity shares to be issued or allotted pursuant to Clause 12 above as a Consideration to the other shareholders of the Transferor Company shall be recognised in the books of account of the Transferee Company at nominal value. The difference between the amount share capital issued to other shareholders plus any additional consideration and the amount of share capital of the Transferor Company shall be transferred to the capital reserve in the books of account of the Transferee Company and such capital reserve shall be presented separately from other capital reserves
- The inter-company deposits, loans & advances and other balances if any, in the books of the account of the Transferee Company and the Transferor Company shall stand discharged and come to an end and the same shall be eliminated by giving appropriate elimination effect in the books of account and records of the Transferee Company.
- In case there is any difference in the accounting policies adopted by the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company will prevail and the difference will be quantified and adjusted in the Other Equity to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.
- In addition, the Transferee Company shall pass such accounting entries, as may be necessary, in connection with this Scheme to comply with any of the applicable Indian Accounting Standards and other generally accepted accounting principles in India.

## **16. TAX BENEFITS AND OBLIGATIONS**

- 16.1.** The amalgamation of the Transferor Company with the Transferee Company in terms of this Scheme shall take place with effect from the Appointed Date and shall be in accordance with the provisions of Sections 2(1B), 47, 72A and 79 and any other application provisions of the IT Act.
- 16.2.** Upon the Scheme becoming effective, all Taxes payable by, or refundable to, the Transferor Company, including any refunds, claims or credits (including credits for income Tax, withholding Tax, advance Tax, self-assessment Tax, minimum alternate Tax, CENVAT credit, goods and services Tax credits, other indirect Tax credits and other Tax receivables) shall be treated as the Tax liability, refunds, claims, or credits, as the case may be, of the Transferee Company, and any Tax incentives, benefits (including claims for unabsorbed Tax losses and unabsorbed Tax depreciation), advantages, privileges, exemptions, credits, Tax holidays, remissions or reductions, which would have been available to the Transferor Company, shall be available to the Transferee Company, and following the Effective Date, the Transferee Company shall be entitled to initiate, raise, add or modify any claims in relation to such Taxes on behalf of the Transferor Company.
- 16.3.** The provisions of this Scheme as they relate to the amalgamation of the Transferor Company into and with the Transferee Company have been drawn up to comply with the conditions relating to “amalgamation” as defined under Section 2(1B) of the IT Act. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section of the IT Act, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the IT Act, shall prevail and the provisions of this Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the IT Act. Such modification will, however, not affect the other parts of the Scheme.
- 16.4.** Any tax liabilities under the IT Act, Wealth Tax Act, 1957, Customs Act, 1962, Goods and Services Tax Act, 2017, any other Tax laws, service tax, luxury tax, entry tax in Himachal Pradesh stamp laws or other applicable laws/regulations (hereinafter in this Clause referred to as “Tax Laws”) dealing with taxes/ duties/ levies allocable or related to the business of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to Transferee Company.
- 16.5.** All taxes (including income tax, wealth tax, sales tax, customs duty, SGST, CGST and IGST, entry tax in Himachal

Pradesh, luxury tax etc.) paid or payable by the Transferor Company in respect of the operations and/or the profits of the business on and from the Appointed Date, shall be on account of the Transferee Company and, insofar as it relates to the tax payment (including without limitation income tax, wealth tax, sales tax, customs duty, SGST, CGST and IGST, entry tax in Himachal Pradesh, luxury tax etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the business on and from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and shall, in all proceedings, be dealt with accordingly.

- 16.6. Any refund under the Tax Laws due to the Transferor Company consequent to the assessments made on Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.
- 16.7. Without prejudice to the generality of the above, all benefits including under the income tax (including benefits available to SEZ units u/s 10AA of the IT Act, MAT credit and TDS credit), sales tax, excise duty, entry tax law in Himachal Pradesh, customs duty, service tax, luxury tax, VAT, SGST, CGST and IGST, etc., to which the Transferor Company is entitled to in terms of the applicable Tax Laws of the Union and State Governments, shall be available to and vest in the Transferee Company.

## **17. DECLARATION OF DIVIDEND**

- 17.1. During the period between the Appointed Date and up to and including the Effective Date, the Transferor Company shall not declare any dividend without the prior written consent of the Board of Directors of the Transferee Company.
- 17.2. The Transferor Company and Transferee Company shall be entitled to declare and pay dividends only out of distributable profits or any other manner as permitted under the Act, earned by respective companies during the relevant financial year and shall not transfer any amount from the reserves for the purposes of payment of dividend. The dividend shall be declared by the companies only by mutual agreement between the Board of Directors of both the Companies.
- 17.3. The holders of shares of the Transferor Company and the Transferee Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective article of association including the right to receive dividends from the respective companies, of which they are members till the date, this Scheme finally takes effect i.e. the Effective Date.
- 17.4. It is clarified, however that the aforesaid provisions in respect of declarations of dividend are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Company or Transferee Company to demand or claim or be entitled to any dividend which subject to the provisions of the said Act, shall be entirely on the discretion of the Board of Directors and the approval of the shareholders of the respective companies.

## **18. POWER TO GIVE EFFECT TO THIS PART**

- 18.1. The Transferee Company shall enter into and/ or issue and/ or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required. Further, the Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.
- 18.2. Upon coming into effect of the Scheme, the Transferee Company and/or the Transferor Company shall, with reasonable dispatch / time lines apply for transition of all licenses and statutory registrations of the Transferee Company including but not limited to product registrations (including applications and authorizations for product registrations), manufacturing licenses, insurance policies, product permissions, certificates, market authorizations, filings, dossiers (including experience and prequalification submissions), industrial licences, municipal permissions, approvals, consent, permits, quotas, registration with Food and Drug Administrations of various states, incentives, subsidies and recognitions. The period between the Effective Date and the last date on which the transfer of all such aforementioned licenses and statutory registrations have occurred is hereinafter referred to as "Transitory Period". During the Transition Period the Transferee Company, may procure or use or manufacture or sale, all materials and products under the respective country registrations including the packing material, art work, label goods, cartons, stickers, wrappers, labels, containers, point of sale material, sign board, samples, closures, publicity materials in the name and form/format of the Transferor Company under any license and/or statutory registration, if any, while conducting the business of the



Undertaking, with a view to avoid any disruption of business, to ensure continuity of operations and uninterrupted supply of the registered products for export purposes.

- 18.3.** Even after the Scheme becomes operative, the Transferee Company shall be entitled to operate all Bank Accounts and use all bank guarantees and letter of credit of the Transferor Company, relating to the Undertaking and release all monies and complete and enforce all subsisting contracts and transactions in respect of the Transferor Company in the name of Transferor Company in so far as may be necessary, till the transfer of rights and obligations of the Transferor Company to the Transferee Company until this Scheme is formally accepted by the all the parties concerned.

## **PART V**

### **DISSOLUTION OF TRANSFEROR COMPANY**

#### **AND**

### **GENERAL TERMS AND CONDITIONS**

#### **19. DISSOLUTION OF TRANSFEROR COMPANY**

On the coming into effect of this Scheme, the Transferor Company shall stand dissolved without winding-up, and the Board of Directors and any committees thereof of the Transferor Company shall without any further act, instrument or deed be and stand dissolved.

#### **20. VALIDITY OF EXISTING RESOLUTIONS, ETC.**

Upon the coming into effect of this Scheme the resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

#### **21. MODIFICATION OF SCHEME**

**21.1.** Subject to approval of NCLT, the Transferor Company and the Transferee Company by their respective Board of Directors or any director/executives or any committee authorised in that behalf (hereinafter referred to as the “**Delegate**”) may assent to, or make, from time to time, any modification(s) or addition(s) to this Scheme which NCLT or any authorities under law may deem fit to approve of or may impose and which the Board of Directors of the Transferor Company and the Transferee Company may in their discretion accept, or such modification(s) or addition(s) as the Board of Directors of the Transferor Company and the Transferee Company or as the case may be, their respective Delegate may deem fit, or required for the purpose of resolving any doubts or difficulties that may arise in carrying out this Scheme.

**21.2.** The Transferor Company and the Transferee Company by their respective Boards of Directors or Delegates are authorised to do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect, or review the position relating to the satisfaction of the conditions of this Scheme and if necessary, waive any of such conditions (to the extent permissible under law) for bringing this Scheme into effect, and/or give such consents as may be required in terms of this Scheme. In the event that any conditions are imposed by NCLT or any Governmental Authorities, which the Board of Directors of the Transferor Company or the Transferee Company find unacceptable for any reason, then the Transferor Company and the Transferee Company shall be at liberty to withdraw the Scheme.

**21.3.** For the purpose of giving effect to this Scheme or to any modification(s) thereof or addition(s) thereto, the Delegates (acting jointly) of the Transferor Company and Transferee Company may give and are authorised to determine and give all such directions as are necessary for settling or removing any question of doubt or difficulty that may arise under this Scheme or in regard to the meaning or interpretation of any provision of this Scheme or implementation thereof or in any matter whatsoever connected therewith (including any question or difficulty arising in connection with any deceased or insolvent shareholders or depositors, if any of the Transferor Company) or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any such conditions (to the extent permissible in law) and such determination or directions or waiver, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme. For the avoidance of doubt, it is clarified that where this Scheme requires the approval of the Board of Directors of the Transferor Company or the Transferee Company to be obtained for any matter, the same may be given through their Delegates.

## **22. FILING OF APPLICATIONS**

The Transferor Company and the Transferee Company shall use their best efforts to make and file all applications and petitions under Sections 230 to 232 and other applicable provisions of the Act, before the respective NCLT having jurisdiction for sanction of this Scheme under the provisions of law and shall apply for such approvals as may be required under law.

## **23. APPROVALS**

The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority, if required, under any law for such consents and approvals which the Transferee Company may require to own the Undertaking and to carry on the business of the Transferor Company.

## **24. SCHEME CONDITIONAL UPON SANCTIONS, ETC.**

This Scheme is conditional upon and subject to:

- 24.1.** The Scheme being approved by the requisite majority of the respective classes of shareholders and/or creditors, as applicable, of the Transferor Company and of the Transferee Company as required under the Act, as applicable, and the requisite order of the NCLT being obtained, or dispensation having been received from the NCLT in relation to obtaining such consent from the shareholders and/or creditors, as applicable;
- 24.2.** The Stock Exchange issuing their observation /no-objection letters and SEBI issuing its comments on the Scheme, as required under applicable laws;
- 24.3.** Such other approvals and sanctions including sanction of any statutory authority, as may be required by law or contract in respect of the Scheme;
- 24.4.** The Scheme being approved by the “public” shareholders of the Transferee Company by way of e-voting in terms of Para (I)(A)(9)(a) of Annexure I of SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017; provided that the same shall be acted upon only if the votes cast by the “public” shareholders in favour of the proposal are more than the number of votes cast by the “public” shareholders against it;
- 24.5.** The NCLT having accorded sanction to the Scheme and if any modifications have been prescribed the same being acceptable to the Transferor Company and the Transferee Company; and
- 24.6.** Such certified / authenticated copy of the order of the NCLT being filed with the Registrar of Companies.

## **25. EFFECT OF NON-RECEIPT OF APPROVALS/SANCTIONS**

- 25.1.** In case the Scheme is not approved by the NCLT or any of the approvals or conditions enumerated in the Scheme have not been obtained or complied with, or for any other reason, if this Scheme cannot be implemented, then the Board of directors of the Transferor Company and the Transferee Company shall mutually waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement, the Scheme shall become null and void and each party shall bear their respective costs, charges and expenses in connection with this Scheme.
- 25.2.** If any part of this Scheme hereof is invalid, held illegal by any court and/or tribunal and/or statutory authority of competent jurisdiction, or unenforceable under any present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in the Scheme, as will best preserve for the parties the benefits and obligations of the Scheme, including but not limited to such part.

## **26. PROCEDURAL FORMALITIES POST SANCTION OF THE SCHEME – BUSINESS CONTINUITY**

- 26.1.** The amalgamated/Transferee Company shall, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds of confirmation or novation or other writings or arrangements with any party to any contract or arrangement in relation to which the amalgamating/Transferor Company has been a party, in order to give formal effect to the above provisions. The amalgamated/ Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized as a constituted attorney to execute any such deeds, writings, documents, receipts and discharges on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to in this Scheme on the part of and for and behalf of the Transferor Company as if the Transferor Company has not been dissolved without being wound-up.

- 26.2.** Upon the Scheme becoming effective, for statistical purposes only and without any separate deed, instrument or writing, the Transferor Company and/or the amalgamated/Transferee Company shall, if required, simultaneously with the amendment in the register of charges and file particulars of the modified charge with the concerned Registrar of Companies. Any documentation subsequently entered into with the term lenders or the working capital lenders of the Transferor Company and the amalgamated/Transferee Company, shall be for the sake of convenience and record only and to reflect the changes in the security pursuant to the Scheme and there shall be no break in the continuity of such charge and the same shall relate back to the date of its creation thereof in the Transferor Company.
- 26.3.** Upon the Scheme becoming effective, all statutory permissions, licenses, approvals, consents, privileges, benefits and benefits of filings and all other incorporeal rights emanating from such licenses (together the "Licenses", for the purpose of this Clause 28.3) relating to the Transferor Company, shall stand transferred to and vested in the amalgamated /Transferee Company without any further act, instrument or deed, as more particularly provided hereinabove. Notwithstanding such transfer /vesting of the Licenses, if any application is required for the statistical record of the statutory authorities to implement the transfer and vesting of the Licenses, as provided hereinabove, the amalgamated /Transferee Company shall facilitate the statutory authorities by filing such applications, which shall be granted /approved in favour of the amalgamated/ Transferee Company based on the sanction order of the Scheme by the NCLT.
- 26.4.** Upon the Scheme becoming effective, the Transferee Company is expressly entitled and authorized under the Scheme by the Transferor Company to revise its direct or indirect tax returns and related withholding certificates and shall be entitled to claim refund, advance tax credits including MAT credit, CENVAT credit, pertaining to the Transferor Company, if any.
- 26.5.** From the Effective Date, all bank accounts of the Transferor Company shall be permitted to be continued with the same balances as of the Effective Date in the name of the amalgamated /Transferee Company and for statistical record the amalgamated/Transferee Company shall be permitted to file names and particulars of the new authorised signatories for withdrawals and/ or deposits/ credits in such bank accounts and the relevant bank accounts shall be reconstituted accordingly.
- 26.6.** The powers and authorization granted to and to be exercised by the amalgamated /Transferee Company in terms of Clauses 28.1 to 28.5 herein are with the aim and intent that the business and operations relating to the Undertaking transferred herein of the Transferor Company even after the Effective Date are transitioned and continue on a "Going Concern Basis" without any interruption or break in continuity.

## **27. SAVING OF CONCLUDED TRANSACTIONS**

Subject to the terms of this Scheme, the transfer and vesting of the Undertaking of the Transferor Company under Clause 4 of this Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company on or before the Appointed Date or concluded after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

## **28. COSTS, CHARGES AND EXPENSES**

All costs, charges and expenses of or payable by each of the Transferor Company and the Transferee Company in relation to or in connection with this Scheme and incidental to the completion of the amalgamation of the Transferor Company and the Transferee Company in pursuance of this on the Order of the NCLT, if any, shall be

- 28.1.** borne and paid by the Transferor Company till the Effective Date; and
- 28.2.** borne and paid by the Transferee Company after the Effective Date.



Date: 21 June 2018

To,

The Board of Directors,  
DIL Limited,  
A-1601, Thane One,  
DIL Complex, Thane (West),  
Mumbai - 400610

The Board of Directors,  
Fermenta Biotech Limited,  
A-1501, Thane One,  
DIL Complex, Thane (West),  
Mumbai - 400610

**Subject: Recommendation of fair share exchange ratio for the proposed amalgamation of Fermenta Biotech Limited ('FBL') with DIL Limited ('DIL').**

Dear Sir/ Madam,

We refer to the engagement letter, wherein the Management of DIL Limited ('DIL') and Fermenta Biotech Limited ('FBL') appointed N S KUMAR & CO. ('NSK') to recommend share exchange ratio for the proposed amalgamation of FBL with DIL. FBL and DIL together hereinafter referred as the 'Companies'.

Please find enclosed the report (comprising 13 pages) detailing our recommendation of share exchange ratio for the proposed amalgamation and the assumptions used in our analysis.

This report sets out our scope of work, background, procedures performed by us, source of information and our opinion on the share exchange ratio.

**SCOPE AND PURPOSE OF THIS REPORT**

DIL Limited ('DIL') is a public company incorporated under the provisions of the Companies Act, 1913. DIL owns a few immovable properties and earns rental income from it; DIL has also made investments in some companies.

Fermenta Biotech Limited ('FBL') is engaged in manufacturing and marketing of chemicals, bulk drugs, enzymes and pharmaceutical formulations.

The Management of DIL and FBL (together referred to as the 'Management') are contemplating the amalgamation of FBL (referred to as 'transferor company') with DIL ('transferee company') ('Transaction') through a Scheme of Amalgamation and Arrangement pursuant to the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013 ('Scheme') and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As per the scheme of amalgamation and arrangement, under the proposed transaction, the equity shareholders of FBL will receive equity shares of DIL.

In connection with the proposed amalgamation, the Management has appointed N S KUMAR & CO. ('NSK') to submit a report recommending a fair share exchange ratio for issue of equity shares of DIL to the shareholders of FBL for the proposed transaction to be placed before the

respective Board of Directors. Further, we understand that DIL would be submitting the report to BSE, SEBI and other Indian regulatory authorities, as required for the Transaction. The proposed appointed date for the amalgamation is 1 April 2018, hence the Management has requested NSK to determine the exchange ratio as at 1 April 2018 ('Valuation Date').

The scope of our service is to conduct a relative valuation exercise as at the Valuation Date to determine the value of the companies using internationally accepted valuation methodologies as may be applicable to the subject companies being valued and arrive at a share exchange ratio and report on the same in accordance with generally accepted professional standards.

This report is our deliverable for the said engagement and is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the report is to be read in totality and in conjunction with the relevant documents referred to therein.

### **SOURCES OF INFORMATION**

In connection with preparation of this report, we have used and relied on the following sources of information:

#### **A. Company specific information**

Information provided by the Management which includes:

1. Audited financials of DIL and FBL for the year ended 31 March 2018 ('FY18') and 31 March 2017 ('FY17');
2. Projected financial statements of FBL from FY19 to FY23 ('Projections') which represents Management's best estimate of the projected performance of FBL;
3. Unaudited provisional financial statements for FY18 of Aegean Properties Limited;
4. Audited financial statements for FY17 of subsidiaries, associates and joint venture companies of both FBL and DIL;
5. Valuation reports for the immovable properties held by DIL and its subsidiaries issued by TrueVal Advisors dated 05 May 2018 and Harshad Ruparel dated 18 February 2018;
6. Shareholding pattern of DIL and FBL as at 31 March 2018;
7. Market prices and trading history of DIL;
8. Copy of the draft scheme of amalgamation and arrangement;
9. Discussions and correspondence with the Management in connection with business operations, past trends, proposed future business plans and prospects etc.;

#### **B. Industry and economy information:**

- Information available in public domain and databases such as Moneycontrol, Capitaline, Bombay Stock Exchange ('BSE'), National Stock Exchange, Investing.com, Thomson Reuters, etc.; and



- Such other information and documents as provided by the Management of DIL and FBL for the purposes of this engagement.

Besides the above listing, there may be other information provided by the Management which may not have been perused by us in detail, if not considered relevant for our defined scope.

We have also considered/ obtained such other analysis, review, explanations and information considered reasonably necessary for our exercise, from the Management of DIL and FBL. The Management of DIL and FBL have been provided with the opportunity to review the draft report (without value recommendations) as part of our standard practice to make sure that factual inaccuracy/ omissions are avoided in our final report.

### **PROCEDURE ADOPTED**

Procedures used in our analysis included such substantive steps as we considered necessary under the circumstances, including, but not necessarily limited to the following:

- Discussion with the Management to:
  - Understand the business and fundamental factors that affects its earning generating capability including strength, weakness, opportunity and threat analysis and historical financial performance.
  - Enquire about business plans and future performance estimates.
- Analysis of information shared by the Management.
- Reviewed the draft scheme of amalgamation and arrangement.
- Reviewed the audited financial statements of DIL and FBL for FY18 and FY17.
- Selection of appropriate internationally accepted valuation methodology/ (ies) after deliberations.
- Estimated the fair value of assets held by DIL including the value of its holding in FBL.
- Identification of suitable comparable companies.
- Arrived at valuations of the Companies using the method considered appropriate.
- Arrived at share exchange ratio for the proposed amalgamation.



## **SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS**

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting/ tax due diligence, consulting or tax related services that may otherwise be provided by us.

This report, its contents and the results herein are specific and subject to:

- i. the purpose of valuation agreed as per the terms of this engagement;
- ii. the date of this report;
- iii. shareholding pattern of DIL and FBL including shares of FBL held by DIL;
- iv. approval by the shareholders of the proposed split and bonus issue recommended by the Board of DIL for the post-split and bonus share exchange ratio;
- v. realization of cash flow projections as provided by the Management in case of FBL;
- vi. fair value estimate of immovable properties valued by the technical valuers'; and
- vii. data detailed in the section – sources of information.

A value analysis of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular. It is based on information made available to us as of the date of this report, events occurring after that date hereof may affect this report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this report.

The recommendation(s) rendered in this report only represent our recommendation(s) based upon information furnished by the Companies till the date of this report and other sources, and the said recommendation(s) shall be considered to be in the nature of non-binding advice (our recommendation should not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors).

In the course of our analysis, we were provided with both written and verbal information, including market, technical, financial and operating data including information as detailed in the section – sources of information by the Management of DIL and FBL.

In accordance with the terms of our engagement, we have assumed and relied upon, without independent verification of,

- i. the accuracy of information made available to us by the Management, which formed a substantial basis for the report; and
- ii. the accuracy of information that was publicly available;



We have not carried out a due diligence or audit or review of the Companies for the purpose of this engagement, nor have we independently investigated or otherwise verified the data provided.

We are not legal or regulatory advisors with respect to legal and regulatory matters for the transaction. We do not express any form of assurance that the financial information or other information as prepared and provided by the Companies is accurate. Also with respect to explanations and information sought from the advisors, we have been given to understand by the Companies that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt.

Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness. Our conclusions are based on these assumptions and information given by/ on behalf of the Management. The Management of the Companies have indicated to us that they have understood any omissions, inaccuracies or misstatements may materially affect our recommendation. Accordingly, we assume no responsibility for any errors in the information furnished by the Companies and their impact on the report. Also, we assume no responsibility for technical information (if any) furnished by the Companies. However, nothing has come to our attention to indicate that the information provided was materially misstated/ incorrect or would not afford reasonable grounds upon which to base the report. We do not imply and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose.

The report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations and that the Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this report has given no consideration on to matters of a legal nature, including issues of legal title and compliance with local laws and litigation and other contingent liabilities that are not recorded in the audited financial statements of the Companies.

This report does not look into the business/ commercial reasons behind the transaction nor the likely benefits arising out of the same. Similarly, the report does not address the relative merits of the transaction as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available. This report is restricted to calculation of share exchange ratio only.

We must emphasize that since DIL is a company that primarily holds assets including immovable properties and investment in shares of various companies including FBL, we have fair valued such assets for the purpose of our analysis. For fair valuation of immovable properties, we have entirely relied on the valuation report issued by the technical valuers TrueVal Advisors and Harshad Ruparel. We have limited our analysis to validating the assumptions used based on publicly available market information and ratio analysis. There





are certain immovable properties held in trust by the Directors on behalf of DIL, we have considered the fair value of such immovable properties for our analysis.

Further, FBL has issued certain shares to the FBL ESOP Trust for which the consideration is yet to be received by FBL. We have considered these shares as outstanding for the purpose of our analysis.

We must emphasize that realization of free cash flow forecast used in the analysis will be dependent on the continuing validity of assumptions on which they are based. Our analysis therefore, will not, and cannot be directed to providing any assurance about the achievability of the final projections. Since the financial forecasts relate to the future, actual results are likely to be different from the projected results because events and circumstances do not occur as expected, and the differences could be material. To the extent that our conclusions are based on the forecasts, we express no opinion on achievability of those forecasts. The fact that we have considered the projections in this valuation exercise should not be construed or taken as our being associated with or a party to such projections.

The fee for the Engagement is not contingent upon the results reported.

We owe responsibility only to the Board of Directors of DIL and FBL, who have appointed us, and nobody else.

We do not accept any liability to any third party in relation to the issue of this report. It is understood that this analysis does not represent a fairness opinion. In no circumstance, shall the liability of NSK exceed the amount as agreed in our Engagement Letter.

This valuation report is subject to the laws of India.

Neither the report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the purpose of determining the share exchange ratio for the proposed amalgamation, without our prior written consent.

## **COMPANY BACKGROUND**

### **DIL Limited ('DIL')**

DIL is a public company incorporated under the provisions of the Companies Act, 1913. Its shares are listed on BSE. DIL is primarily engaged in the business of renting of immovable properties and it also holds certain strategic investment in companies operating in different businesses. DIL holds a 91.2% stake in FBL.

DIL had reported a standalone revenue of INR 12.5 crore and a loss of INR 24.1 crore during FY18.



The issue and subscribed capital of DIL as at 31 March 2018 consists of 22,93,198 equity shares of INR 10 each fully paid up.

The equity shareholding pattern of DIL Limited (prior to implementation of proposed split and bonus issue) as per the latest available filing with BSE is as under:

Shareholders	Number of Shares	% of Shareholding
Promoters	14,35,320	62.6%
Non Promoters	8,57,878	37.4%
<b>Total</b>	<b>22,93,198</b>	<b>100.0%</b>

\* Source: BSE Limited

### **Fermenta Biotech Limited ('FBL')**

FBL is a subsidiary of DIL and is primarily engaged in the manufacturing of cholecalciferol (vitamin D3) which has various applications across pharmaceutical, food, veterinary and feed industries. Cholecalciferol formulations are used in human food supplements and vitamin D3 resin and feed grade are used in animal feed supplements.

It also manufactures niche API's, penicillin G amidase, polymer supports and enzyme technologies for beta lactams and bio-enzymes.

FBL has its R&D facility at Thane and manufacturing facilities in Kullu, Himachal Pradesh and Dahej SEZ, Gujarat.

FBL reported a revenue of INR 300.4 crore and profit after tax of INR 72.1 crore for the year ended 31 March 2018.

The issued and subscribed capital of FBL as at 31 March 2018 consists of 18,192,844 equity shares of INR 10 each fully paid up (except 488,334 equity shares issued to FBL ESOP Trust for which the entire paid up amount is outstanding).

The equity shares of FBL are not listed on any stock exchange and its shareholding pattern as at the report date is set out below:

Shareholders	Number of Shares	% of Shareholding
DIL Limited	16,592,536	91.2%
DVK Investment Pvt. Ltd.,	87,024	0.5%
Others	1,513,284*	8.3%
<b>Total</b>	<b>18,192,844</b>	<b>100.0%</b>

\*Includes 488,334 equity shares issued to FBL ESOP Trust



## **VALUATION APPROACH AND METHODOLOGY OF SHARE EXCHANGE RATIO**

It should be understood that the valuation of any company or its assets is inherently subjective and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to the industry performance and general business and economic conditions, many of which are beyond the control of the companies.

Arriving at the fair share exchange ratio for the proposed amalgamation of FBL with DIL would require determining the fair value of equity shares of DIL in terms of the fair value of equity shares of FBL as at the Valuation Date. These values are to be determined independently but on a relative basis, and without considering the effect of the proposed amalgamation.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although, different values may exist for different purpose, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

The following are commonly used and accepted methods for determining the value of the equity shares of a company/ business:

1. Asset Approach – Net Asset Value method
2. Market Approach:
  - a) Market Price method
  - b) Comparable Companies Market Multiple method
3. Income Approach – Discounted Cash Flow method

For the proposed amalgamation, we have considered the following commonly used and accepted methods for determining the fair share exchange ratio, to the extent relevant and applicable:

### **1. Asset Approach – Net Asset Value method ('NAV')**

The asset based value analysis technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. This value analysis approach is mainly used in case where the firm is to be liquidated i.e. it does not meet the "going concern" criteria or in case where the asset base dominate earnings capability. It is also used where the main strength of the business is its asset backing rather than its capacity or potential to earn profits.

We have used the NAV method to value DIL as the major assets held by them include immovable properties and investment in equity shares of listed and unlisted companies



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Recommendation of share exchange ratio for the  
proposed amalgamation of FBL with DIL

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including FBL. Given that the company derives its major value from the assets held by it including the value of its investment in FBL, we have used NAV method to value DIL.

For valuing investment in companies and immovable properties we have replaced the book values of investments and immovable properties by its estimated fair value and for valuing the other assets and liabilities we have considered the book value as at 31 March 2018 to be representative of its fair value.

Given that FBL is a profitable company and is expected to continue to earn profits in the near future and would therefore be considered as a 'going concern', we have not used the NAV method to value FBL.

## 2. Market Approach

### a) Market Price method:

The market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares. But there could be situations where the value of the shares as quoted on the stock market would not be regarded as a proper index of the fair value of the share, especially where the market values are fluctuating in a volatile capital market.

Since, DIL is a listed company, it is governed by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time ('ICDR Regulations'). Under the ICDR Regulations, issuance of shares pursuant to order under Sections 230 to 232 of Companies Act, 2013, is required to follow pricing conditions that apply to the preferential issue, if such issue is to be made to shareholders of an unlisted company. These guidelines prescribe the minimum price at which the shares are to be issued and we have given due consideration to this requirement.

After analyzing the market movement of the share prices and the levels of volumes traded we concluded to assign NIL weight to the market price method in case of DIL for the following reasons:

- a) Shares of DIL are thinly traded with the average daily traded volumes over the last twenty-six weeks being less than 3,600 equity shares.
- b) Secondly, shares of DIL have recently been placed under the Additional Surveillance Measures framework by BSE which has resulted in the share price of DIL fluctuating significantly with the share price hitting circuit filters on a regular basis.



Given the above reasons we believe that the current market price of DIL equity shares do not adequately reflect its fair value and have therefore not considered the market price method for the purpose of our analysis.

FBL is an unlisted company and we have therefore not used the market price method to value FBL.

#### **b) Comparable Companies Multiple ('CCM') / Comparable Transaction Multiple ('CTM')**

Under CCM, the value of shares/ business of a company is determined based on market multiples of publicly traded comparable companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. CCM applies multiples derived from similar or 'comparable' publicly traded companies to a company's operating metrics. The appropriate multiple is generally based on the performance of listed companies with similar business models and size.

Under CTM, the value of shares/ business of a company is determined based on market multiples of publicly disclosed transactions in the similar space as that of the subject company. Multiples are generally based on data from recent transactions in a comparable sector, but with appropriate adjustment after consideration has been given to the specific characteristics of the business being valued.

We have not used CCM/ CTM for valuing the equity shares of either Companies, as there are no comparable listed companies operating in similar line of business and having similar business model in India.

### **3. Income Approach – Discounted Cash Flow Method**

DCF method values a business based upon the available cash flow a prudent investor would expect the subject business to generate over a given period of time. This method is used to determine the present value of a business on a going concern assumption and recognizes the time value of money by discounting the free cash flows for the explicit forecast period and the perpetuity value at an appropriate discount factor. Free cash flows are the cash flows expected to be generated by the company that are available to equity shareholders of the company. The terminal value represents the total value of the available cash flow for all periods subsequent to the forecast period. The terminal value of the business at the end of the forecast period is estimated and discounted to its equivalent present value and added to the present value of the explicit forecast period cash flow to estimate the value of the business.

The projected free cash flows to equity shareholders over the explicit forecast period and terminal value are discounted using the Cost of equity ('COE'). The sum of the discounted

Recommendation of share exchange ratio for the  
proposed amalgamation of FBL with DIL



value of such free cash flows to equity is the value of the business attributable to equity shareholders.

Using the DCF analysis involves determining the following:

**Estimating future cash flows:**

Free cash flows are the cash flows expected to be generated by the company that are available to equity shareholders of the company.

**Appropriate discount rate to be applied to cash flows i.e. the cost of equity**

This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to equity shareholders. The opportunity cost of equity capital providers equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

To arrive at the total value attributable to the equity shareholders of the business, value arrived through DCF method for the company is adjusted for the value of loans, excess cash, inflow on exercise of options, non-operating assets/ liabilities (e.g. fair value of investments, any contingent liabilities, etc.). The total value for equity shareholders is then divided by the total number of equity shares (on fully diluted basis) to arrive at the value per share of the business.

For the purpose of DCF value analysis, the free cash flows are based on projections and other information that are provided by the management of the company.

In case of FBL, we have used the financial projections as provided by the Management of FBL for the five-year period from FY19 to FY23 for the valuation of FBL under DCF method. We did not carry out any validation procedures or due diligence with respect to the information provided/ extracted or carry out any verification of the assets or comment on the achievability of the assumptions underlying the financial projections, save for satisfying ourselves to the extent possible that they are consistent with other information provided to us during the course of this engagement.

In case of DIL, given that it is an asset heavy company, we have not used the income approach to value it.

**MAJOR FACTORS THAT WERE CONSIDERED DURING VALUATION**

- The trends in the Vitamin D3 feed prices including the recent spurt in prices and the estimated long term price of the same going forward
- Improvement in margins of FBL on account of the various cost optimization programs being undertaken by the Management of FBL.
- In case of DIL, volatility in its share prices and lack of adequate trades on BSE



## **RECOMMENDATION OF THE RATIO OF SHARE EXCHANGE FOR THE PROPOSED AMALGAMATION**

The fair exchange ratio has been arrived at on the basis of a relative equity valuation of the Companies for the proposed amalgamation based on the various methodologies mentioned herein earlier. Suitable rounding off have been carried out wherever necessary to arrive at the fair value/ exchange ratio.

In light of the above and on a consideration of all the relevant factors and circumstances as discussed and outlined herein above we recommend the share exchange ratio as follows:

**100** equity shares of **DIL** of INR 10 each fully paid up for every **1,006** equity shares of **FBL** of INR 10 each fully paid up.

## **SHARE EXCHANGE RATIO IN CASE THE RECOMMENDED SPLIT AND BONUS ISSUE APPROVED**

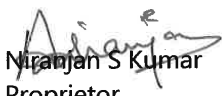
Further, we were informed that the Board of Directors of DIL have in its board meeting held on 18 June 2018, subject to the approval of the shareholders, recommended a split/ sub division of equity shares of DIL from a face value of INR 10 each to face value of INR 5 each. The Board has also recommended, subject to shareholder approval issue of bonus shares in the proportion of 1:1 i.e. 1 (one) fully paid equity shares of INR 5 each for every 1 (one) existing fully paid up equity shares of INR 5 each held by the members.

Should both the above proposals be approved by the shareholders prior to the approval of the scheme the recommended share exchange ratio would stand revised as under:

**100** equity shares of **DIL** of INR 5 each fully paid up for every **251** equity shares of **FBL** of INR 10 each fully paid up.

Respectfully Submitted

N S KUMAR & CO.  
Chartered Accountants  
ICAI Firm Registration No. 139792W

  
Niranjan S Kumar  
Proprietor  
Membership No. 121635



Date: 21 June 2018  
Place: Mumbai

Recommendation of share exchange ratio for the  
proposed amalgamation of FBL with DIL

~~Chartered Accountants~~  
**N S KUMAR & CO.**

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**Annexure 1:**

**Computation of share exchange ratio is given below:**

Valuation Approach	DIL per share value (A)		FBL per share value (B)	
	Value Per Share (INR)	Weight	Value Per Share (INR)	Weight
Asset Approach	5,668.5	100%	94.9	0.0%
Income Approach	NA	NA	563.2	100%
Market Approach - Market Price method	3,289.3	0.0%	NA	NA
Market Approach - Comparable Companies Multiple method	NA	NA	NA	NA
<b>Relative Value per Share</b>	<b>5,668.5</b>		<b>563.2</b>	
<b>Exchange Ratio Round Off (A/ B)</b>			<b>10.06</b>	

*NA - Not Adopted/ Not Applicable*

**Post-split and Bonus Scenario**

Valuation Approach	DIL per share value (A)		FBL per share value (B)	
	Value Per Share (INR)*	Weight	Value Per Share (INR)	Weight
Asset Approach	1,417.1	100%	94.9	0.0%
Income Approach	NA	NA	563.2	100%
Market Approach - Market Price method	822.3	0.0%	NA	NA
Market Approach - Comparable Companies Multiple method	NA	NA	NA	NA
<b>Relative Value per Share</b>	<b>1,417.1</b>		<b>563.2</b>	
<b>Exchange Ratio Round Off (A/ B)</b>			<b>2.51</b>	

*NA - Not Adopted/ Not Applicable*

\* Price considered above adjusted for both split followed by bonus issue





# KEYNOTE

21<sup>st</sup> June 2018

**The Board of Directors,**

**DIL Limited**

A-1601, Thane One,  
DIL Complex, Majiwada,  
Thane (West) – 400 610

Dear Sir,

**Reg: Fairness Opinion in connection with the proposed merger of Fermenta Biotech Limited (the “Transferor Company” or “FBL”) into DIL Limited (“DIL” or the “Transferee Company”)**

Keynote Corporate Services Limited (“Keynote” or “we” or “us”) is a Category I Merchant Banker registered with Securities Exchange Board of India (“SEBI”). We understand that the Board of Directors of DIL Limited (“DIL” or the “Transferee Company”) and Fermenta Biotech Limited (“FBL” or the “Transferor Company”) are contemplating a corporate restructuring wherein it is considering a Scheme of Amalgamation (“Scheme”) for the merger of Fermenta Biotech Limited into DIL Limited (“DIL” or the “Transferee Company”). The proposed restructuring is to be carried out pursuant to the Scheme of Amalgamation under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

In connection with the proposed Scheme, we have been requested by the Board of Directors of DIL to issue a Fairness Opinion as of the date hereof, as to the fairness of the Share Exchange Ratio to the Equity Shareholders of DIL. We have perused the documents/ information provided by you in respect of the said Scheme and the Valuation Report as issued by N S Kumar & Co. Chartered Accountants (“NSKC”) dated 21<sup>st</sup> June 2018 and state as follows:

**Company Profile:**

**DIL Limited**, Transferee Company is a listed public limited company incorporated under the Companies Act, 1913 having its registered office at A-1601, Thane One, ‘DIL’ Complex, Ghodbunder Road, Majiwade, Thane (W) – 400 610, Maharashtra, India (hereinafter referred to as the “Transferee Company”). The Transferee Company was originally incorporated to engage in the business of manufacturing and marketing of drugs and pharmaceuticals, chemicals, cosmetics and toiletries products under the name International Franchise Private Limited. In 1971, its name was changed to Crookes Interfran Limited which was further changed to Duphar-Interfran Limited and post demerger of its formulation business to Solvay Pharma India Limited in 2001 to DIL Limited. The Transferee Company is majorly into the business of manufacturing and marketing of chemicals, API, enzymes, pharmaceutical formulations and environmental solution products, through its subsidiary and is also engaged in the business of renting of properties.

**Fermenta Biotech Limited**, Transferor Company (CIN: U99999MH1986PLC134021) is an unlisted public limited company incorporated under the Companies Act, 1956 having its registered office at A-1501, Thane One, ‘DIL’ Complex, Ghodbunder Road, Majiwade, Thane (W) – 400 610, Maharashtra, India (hereinafter referred to as the “Transferor Company”). The Transferor Company is engaged in the business of manufacturing and marketing of chemicals, active pharmaceutical ingredients (‘API’), enzymes,

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**Keynote Corporate Services Limited**

The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400028  
Tel.: 91 22 3026 6000 • Fax: 91 22 3026 6088 Email: info@keynoteindia.net • Website: www.keynoteindia.net  
CIN-L67120MH1993PLC072407

# KEYNOTE

pharmaceutical formulations and environmental solution products. The Transferor Company is a subsidiary of the Transferee Company.

## Rationale of the Amalgamation:

The Transferee Company is holding 91.20% equity stake in the Transferor Company. In order to consolidate and effectively manage the Transferor Company and the Transferee Company in a single entity and to achieve *inter-alia* economies of scale and efficiency, the merger is being undertaken. The amalgamation of the Transferor Company with the Transferee Company would *inter alia* have the following benefits:

- (a) Amalgamation to be value accretive to the shareholders of the Transferee Company as the shareholders would have direct access to the core business of the Transferor Company;
- (b) Greater integration and greater financial strength and flexibility for the amalgamated entity, which would result in maximising overall shareholder value;
- (c) Greater efficiency in cash management of the group and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize shareholder value;
- (d) Improved organizational capability and leadership, arising from the pooling of human capital having diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry;
- (e) Cost savings are expected to flow from more focused operational efforts, rationalization, standardisation and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses;
- (f) Reduction in the multiplicity of legal and regulatory compliances required at present to be separately carried out by the Transferor Company and the Transferee Company;
- (g) To optimally leverage the larger assets base and cash flow of the amalgamated entity;
- (h) Amalgamation will result in the Transferee Company directly controlling and managing the business of the Transferor Company which would lead to simplification of the shareholding structure and reduction of shareholding tiers; and
- (i) To meet the covenants agreed upon for taking a loan facility and to avail the incentivised reduction in the interest rates from lenders in respect of the borrowings.

## **Keynote Corporate Services Limited**

The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400028  
Tel.: 91 22 3026 6000 • Fax: 91 22 3026 6088 Email: info@keynoteindia.net • Website: www.keynoteindia.net  
CIN-L67120MH1993PLC072407

# KEYNOTE

## Sources of Information:

For arriving at the Fairness Opinion set forth below, we have relied upon the following sources of information:

- Valuation Report by N S Kumar & Co. Chartered Accountants dated 21<sup>st</sup> June 2018
- Audited financials of DIL & FBL for the year ended 31<sup>st</sup> March 2018 and 31<sup>st</sup> March 2017
- Unaudited financial statements for the year ended 31<sup>st</sup> March 2018 of Aegean Properties Limited
- Audited financial statements for the year ended March 2017 of associates and joint venture companies
- Valuation reports for the immovable properties held by DIL and its subsidiaries issued by TrueVal Advisors dated 05 May 2018 and Harshad Ruparel dated 18 February 2018
- Projected Financials for the five year period from financial year 2019 to 2023 of FBL
- Shareholding pattern of DIL and FBL as at 31<sup>st</sup> March 2018
- Draft Scheme of Amalgamation
- Other relevant information/documents regarding FBL & DIL including information available through public domain

In addition to the above, we have also obtained such other information and explanations, which were considered relevant for the purpose of our Analysis.

## Our Recommendation:

As stated in the Valuation Report by N S Kumar & Co. Chartered Accountants, they have recommended the following:

**“100 equity shared of DIL of INR 10 each fully paid up for every 1,006 equity shares of FBL of INR 10 each fully paid up”.**

### SHARE EXCHANGE RATIO IN CASE THE RECOMMENDED SPLIT AND BONUS ISSUE APPROVED

*Further, we were given to understand that the Board of Directors of DIL have in its board meeting held on 18 June 2018, subject to the approval of the shareholders, recommended a split/ sub division of equity shares of DIL from a face value of INR 10 each to face value of INR 5 each. The Board has also recommended, subject to shareholder approval issue of bonus shares in the proportion of 1:1 i.e. 1 (one) fully paid equity shares of INR 5 each for every 1 (one) existing fully paid up equity shares of INR 5 each held by the members.*

*Should both the above proposals be approved by the shareholders the recommended share exchange ratio would be revised as under:*

**“100 equity shares of DIL of INR 5 each fully paid up for every 251 equity shares of FBL of INR 10 each fully paid up”.**

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# KEYNOTE

The aforesaid Arrangement shall be pursuant to the Scheme and shall be subject to receipt of approval from the National Company Law Tribunal or such other competent authority as may be applicable and other statutory approvals as may be required. The detailed terms and conditions of the arrangement are more fully set forth in the Scheme. Keynote has issued the Fairness Opinion with the understanding that Scheme shall not be materially altered and the parties hereto agree that the Fairness Opinion would not stand good in case the final Scheme alters the transaction

Based on the information, data made available to us, including the Valuation Report, to the best of our knowledge and belief, the Share Exchange Ratio as recommended by N S Kumar & Co. Chartered Accountants in relation to the proposed Scheme is fair to the equity shareholders of DIL Limited in our opinion.

**Exclusions and Limitations:**

We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by DIL and FBL for the purpose of this opinion. Our work does not constitute an audit or certification or due diligence of the working results, financial statements, financial estimates or estimates of value to be realized for the assets of DIL and FBL. We have solely relied upon the information provided to us by DIL and FBL. We have not reviewed any books or records of DIL and FBL (other than those provided or made available to us). We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties or facilities of DIL and FBL and neither express any opinion with respect thereto nor accept any responsibility therefore. We have not made any independent valuation or appraisal of the assets or liabilities of DIL and FBL. We have not reviewed any internal management information statements or any non-public reports, and, instead, with your consent we have relied upon information which was publicly available or provided or otherwise made available to us by DIL and FBL for the purpose of this opinion. We are not experts in the evaluation of litigation or other actual or threaten claims and hence have not commented on the effect of such litigation or claims on this opinion. We are not legal, tax, regulatory or actuarial advisors. We are financial advisors only and have relied upon, without independent verification, the assessment of DIL and FBL with respect to these matters. In addition, we have assumed that the Scheme will be approved by the regulatory authorities and that the proposed Transaction will be consummated substantially in accordance with the terms set forth in the Draft Composite Scheme.

We understand that the management of DIL during our discussion with them would have drawn our attention to all such information and matters which may have an impact on our analysis and opinion. We have assumed that in the course of obtaining necessary regulatory or other consents or approvals for the Scheme, no restrictions will be imposed that will have a material adverse effect on the benefits of the Transaction that DIL may have contemplated. Our opinion is necessarily based on financial, economic, market and other conditions as they currently exist and on the information made available to us as of the date hereof. It should be understood that although subsequent developments may affect this opinion, we do not have any obligation to update, revise or reaffirm this opinion. In arriving at our opinion, we are not authorized to solicit, and did not solicit, interests for any party with respect to the acquisition, business combination or other extra-ordinary transaction involving DIL or any of its assets, nor did we negotiate with any other party in this regard.

**Keynote Corporate Services Limited**

# KEYNOTE

We have acted as a financial advisor to DIL for providing a Fairness Opinion and will receive a fee for our services.

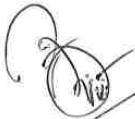
In the ordinary course of business, Keynote is engaged in securities trading, securities brokerage and investment activities, as well as providing investment banking and investment advisory services. In the ordinary course of its trading, brokerage and financing activities, any member of Keynote may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or senior loans of any company that may be involved in the Transaction.

The Fairness Opinion is addressed only to the Board of Directors of DIL and is for the purpose of submission to the Stock Exchanges under the SEBI Circular. Further, the Fairness Opinion may be disclosed on the website of DIL and the Stock Exchanges and also be made part of the explanatory statement to be circulated to the shareholders and/ or creditors of the Company. The Fairness Opinion should be read in totality and not in parts. The Fairness Opinion shall not otherwise be disclosed or referred to publicly or to any other third party without Keynote's prior written consent. If this Fairness Opinion is used by any person other than whom it is addressed or for any purpose other than the purpose stated hereinabove, then we will not be liable for any consequences thereof.

We express no opinion whatever and make no recommendation at all as to DIL's underlying decision to effect to the proposed Transaction or as to how the holders of equity shares or preference shares or secured or unsecured creditors of DIL should vote at their respective meetings, if any, held in connection with the Transaction. We do not express and should not be deemed to have expressed any views on any other terms of Transaction. We also express no opinion and accordingly accept no responsibility for or as to the prices at which the equity shares of DIL will trade following the announcement of the Transaction or as to the financial performance of DIL following the consummation of the Transaction.

In no circumstances however, will Keynote Corporate Services Limited or its associates, directors or employees accept any responsibility or liability to any third party and in the unforeseen event of any such responsibility or liability being imposed on Keynote Corporate Services Limited or its associates, directors or employees by any third party, DIL and their affiliates shall indemnify them.

For KEYNOTE CORPORATE SERVICES LTD



**Uday Patil**

Director - Investment Banking

SEBI Registration No. INM000003606

(Category – I Merchant Banker)

Page 5 of 5

## Keynote Corporate Services Limited

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## **ANNEXURE 4**

### **REPORT ADOPTED BY THE BOARD OF DIRECTORS OF DIL LIMITED (“THE COMPANY”) AT ITS MEETING HELD ON THURSDAY THE 21 DAY OF JUNE, 2018, EXPLAINING THE EFFECT OF SCHEME OF AMALGAMATION OF FERMENTA BIOTECH LIMITED (THE “TRANSFEROR COMPANY”) AND DIL LIMITED (THE “TRANSFeree COMPANY”) AND THEIR RESPECTIVE SHAREHOLDERS**

#### **Background:**

1. The Board of Directors (“**Board**”) of DIL Limited (“**DIL**” or the “**Company**”) at its meeting held on June 21, 2018 approved the **Scheme of Amalgamation of Fermenta Biotech Limited (“FBL” or the “Transferor Company”) and DIL Limited (the “Transferee Company”)** and their respective shareholders (hereinafter referred to as “**Scheme**”), for the amalgamation of FBL and DIL (“Amalgamation”), to be implemented under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“**Act**”).
2. In terms of the Section 232(2)(c) of the Act, a report from the Board of the Company explaining the effect of the Amalgamation on equity shareholders, key managerial personnel (“**KMP**”), promoters and non-promoter shareholders of the Company has to be appended with the notice of the meeting of shareholders and creditors. Further, the said report has to specify special valuation difficulties, if any, in the valuation.
3. This report of the Board is accordingly made in order to comply with the requirements of Section 232(2)(c) of the Act.
4. While deliberating on the Scheme, the Board had, inter-alia, considered and took on record the following documents:
  - (a) Draft Scheme;
  - (b) Valuation Report dated June 21, 2018 of N S Kumar & Co., (“the Valuers”), Independent Chartered Accountants, describing the methodology adopted by them in arriving at the share exchange ratio (“Valuation Report”);
  - (c) Fairness Opinion dated June 21, 2018 prepared by Keynote Corporate Services Limited, a SEBI Registered Merchant Banker, providing the Fairness Opinion on the share exchange ratio (“Fairness Opinion”) as recommended by N S Kumar & Co., the Valuers;
  - (d) Report of the Audit Committee of the Board of Directors dated June 21, 2018 recommending the Scheme to the Board; and
  - (e) Summary of the Valuation Report / Share Exchange Ratio along with the basis of such valuation.

#### **Effect of the Scheme on equity shareholders (promoter shareholders and non-promoter shareholders), employees and KMPs of DIL:**

5. The Scheme, amongst others, contemplates the following arrangement:
  - (a) Upon coming into effect of this Scheme and its consideration thereof, the DIL shall without any further application, act or deed, issue and allot (‘Share Exchange Ratio’), subject to the provisions of the sub-clause 2 given below:

“100 (Hundred) equity shares of INR. 10/- (Rupees Ten only) each credited as fully paid-up of the Transferee Company for every 1006 (One Thousand Six) equity shares of INR. 10/- (Rupees Ten only) held in the Transferor Company and whose names are recorded in the register of members on the Record Date.”
  - (b) Subject to members’ approval, the Board of directors of DIL at its meeting held on June 18, 2018 approved: (a) split/sub division of share from face value of INR. 10/- each to face value of INR. 5/- each; and (b) issue of bonus equity shares in the proportion of 1:1, having face value of INR. 5/- each. Accordingly, the number of shares to be issued to the shareholders of FBL will undergo change as follows (‘New Share Exchange Ratio’):

“100 (Hundred) equity shares of the Transferee Company of INR 5/- (Rupees Five only) each fully paid up for every 251 (Two Hundred and Fifty-One only) equity shares of the Transferor Company of INR. 10/- (Rupees Ten only) each fully paid up.”
  - (c) Upon the scheme becoming effective, no shares of **DIL** shall be allotted in lieu or exchange of its 91.20% holding in **FBL** and 91.20% Paid up share capital of **FBL** shall stand cancelled.
  - (d) The equity shares to be allotted by DIL to the shareholders of FBL will in all respect rank *pari passu* with the existing equity shares of DIL for dividend and voting rights, save and except that the holders of such equity shares shall not be entitled to the dividend declared by DIL before the Effective Date of the Scheme.
  - (e) The authorised share capital of FBL, shall stand transferred to and be amalgamated with the authorised share capital of DIL in the manner as stipulated in Clause 9 of Part III of the Scheme;

- (f) Clause V of the Memorandum of Association of DIL shall be amended in accordance with Clause 9.2 of Part III of the Scheme;
- (g) On the Effective Date of this Scheme, the name of DIL shall be changed from DIL Limited to '**FERMENTA BIOTECH LIMITED**' or such other name as may be approved by the Registrar of Companies of Maharashtra at Mumbai. The change in the name of DIL shall be effected without any further act or deed and as an integral part of the Scheme and the order of the NCLT sanctioning this Scheme shall be deemed to be an order under provisions of the Act, confirming the change of name of DIL. It shall be deemed that the members of FBL have also resolved and accorded their no objection to adopt the name of FBL after the coming into effect of this Scheme, and dissolution of FBL without winding-up as provided under the Clause 10 of Part III of the Scheme.
6. The Board reviewed the Scheme, Valuation Report and Fairness Opinion and also noted the rationale and the benefits of the Scheme which, inter-alia, are as follows :
- The Transferee Company is holding 91.20% equity stake in the Transferor Company. In order to consolidate and effectively manage the Transferor Company and the Transferee Company in a single entity and to achieve *inter-alia* economies of scale and efficiency, the merger is being undertaken. The amalgamation of the Transferor Company with the Transferee Company would *inter alia* have the following benefits:
- (a) Amalgamation to be value accretive to the shareholders of the Transferee Company as the shareholders would have directly access to the core business of the Group;
  - (b) Greater integration and greater financial strength and flexibility for the amalgamated entity, which would result in maximising overall shareholder value;
  - (c) Greater efficiency in cash management of the group and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize shareholder value;
  - (d) Improved organizational capability and leadership, arising from the pooling of human capital having diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry;
  - (e) Cost savings are expected to flow from more focused operational efforts, rationalization, standardisation and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses;
  - (f) Reduction in the multiplicity of legal and regulatory compliances required at present to be separately carried out by the Transferor Company and the Transferee Company;
  - (g) To optimally leverage the larger assets base and cash flow of the amalgamated entity;
  - (h) Amalgamation will result in the Transferee Company directly controlling and managing the business of Transferor Company which would lead to simplification of the shareholding structure and reduction of shareholding tiers; and
  - (i) To meet the covenants for taking loan facility and to avail the incentivised reduction in the interest rates from lenders in respect of the borrowing of the Transferor and Transferee Companies.
7. Under the Scheme, there is no arrangement with the creditors, either secured or unsecured of DIL. No compromise is offered under the Scheme to any of the creditors of DIL. The liability of the creditors of DIL, under the Scheme, is neither being reduced nor being extinguished.
8. Under the Scheme, no rights of the staff and employees of DIL are being affected. The services of the staff and employees of DIL shall continue on the same terms and conditions on which they were engaged by DIL.
9. All the permanent employees of FBL who are in its employment as on the Effective Date of the Scheme shall become the permanent employees of DIL with effect from the Effective Date of the Scheme without any break or interruption in service and on terms and conditions as to employment and remuneration not less favourable than those on which they are engaged or employed by FBL.
10. The directors, KMP of DIL and their respective relatives may have an interest in the Scheme to the extent of the equity shares held by them in DIL and/or to the extent that one of the directors, namely, Mr. Krishna Datla, is a promoter of "DIL" and/or to the extent that the said promoter along with other promoters of "DIL" may hold shares in DIL. Further, the shareholding of DIL directors and/or KMP and their relatives in FBL is given below. Save as aforesaid, none of the directors or KMP has any material interest in the Scheme.

Name	Status in FBL	No. of equity shares held (Rs. 10 each)
Mr. Krishna Datla	Director in FBL	10,800
Ms. Rajeshwari Datla	Relative of Mr. Krishna Datla	90,738
Ms. Preeti Thakkar	Relative of Mr. Krishna Datla	8,412
Ms. Anupama Datla Desai	Relative of Mr. Krishna Datla	5,400
Mr. Satish Varma	Managing Director in FBL	10*

\*Shares held u/s. erstwhile 187C of the Companies Act, 1956 (now Section 89 of Companies Act, 2013) in favour of DIL Limited.

11. There is no effect of the Scheme on the KMP and / or the Directors of DIL.
12. No special valuation difficulties were reported to the Board by the Valuers.

**By order of the Board of Directors of DIL Limited**

**Krishna Datla**  
**Managing Director**  
**DIN: 00003247**



## **ANNEXURE 5**

### **REPORT ADOPTED BY THE BOARD OF DIRECTORS OF FERMENTA BIOTECH LIMITED AT ITS MEETING HELD ON THURSDAY THE 21 DAY OF JUNE, 2018, EXPLAINING THE EFFECT OF SCHEME OF AMALGAMATION OF FERMENTA BIOTECH LIMITED (THE “TRANSFEROR COMPANY”) AND DIL LIMITED (THE “TRANSFEE COMPANY”) AND THEIR RESPECTIVE SHAREHOLDERS**

#### **Background:**

1. The Board of Directors (“**Board**”) of Fermenta Biotech Limited (“**FBL**” or the “**Company**”/ “**Transferor Company**”) at its meeting held on June 21, 2018 approved the Scheme of Amalgamation of the Company and DIL Limited (the “**Transferee Company**”) and their respective shareholders (hereinafter referred to as “**Scheme**”), for the amalgamation of FBL with DIL (“**Amalgamation**”), to be implemented under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“**Act**”).
2. In terms of the Section 232(2)(c) of the Act, a report from the Board of the Company explaining the effect of the Amalgamation on equity shareholders, key managerial personnel (“**KMP**”), promoters and non-promoter shareholders of the Company has to be appended with the notice of the meeting of shareholders and creditors. Further, the said report has to specify special valuation difficulties, if any, in the valuation.
3. This report of the Board is accordingly made in order to comply with the requirements of Section 232(2)(c) of the Act.
4. While deliberating on the Scheme, the Board had, inter-alia, considered and took on record the following documents:
  - a) Draft Scheme;
  - b) Valuation Report dated June 21, 2018 of N S Kumar & Co., (“the Valuers”), Independent Chartered Accountants, describing the methodology adopted by them in arriving at the share exchange ratio (“**Valuation Report**”);
  - c) Fairness Opinion dated June 21, 2018 prepared by Keynote Corporate Services Limited, a SEBI Registered Merchant Banker, providing the Fairness Opinion on the share exchange ratio (“**Fairness Opinion**”) as recommended by N S Kumar & Co., the Valuers;
  - d) Summary of the valuation report / Share Exchange Ratio along with the basis of such valuation.

#### **Effect of the Scheme on equity shareholders (promoter shareholders and non-promoter shareholders), employees and KMPs of DIL:**

5. The Scheme, amongst others, contemplates the following arrangement:
  - (a) Upon coming into effect of this Scheme and its consideration thereof, the DIL shall without any further application, act or deed, issue and allot (‘Share Exchange Ratio’), subject to the provisions of the sub-clause 2 given below:

“100 (Hundred) equity shares of INR. 10/- (Rupees Ten only) each credited as fully paid-up of the Transferee Company for every 1006 (One Thousand Six) equity shares of INR. 10/- (Rupees Ten only) held in the Transferor Company and whose names are recorded in the register of members on the Record Date.”
  - (b) Subject to members’ approval, the Board of directors of DIL at its meeting held on June 18, 2018 approved: (a) split/sub division of share from face value of INR. 10/- each to face value of INR. 5/- each; and (b) issue of bonus equity shares in the proportion of 1:1, having face value of INR. 5/- each. Accordingly, the number of shares to be issued to the shareholders of FBL will undergo change as follows (‘New Share Exchange Ratio’):

“100 (Hundred) equity shares of the Transferee Company of INR 5/- (Rupees Five only) each fully paid up for every 251 (Two Hundred and Fifty-One only) equity shares of the Transferor Company of INR. 10/- (Rupees Ten only) each fully paid up.”
  - (c) Upon the scheme becoming effective, no shares of **DIL** shall be allotted in lieu or exchange of its 91.20% holding in **FBL** and 91.20% Paid up share capital of **FBL** shall stand cancelled.
  - (d) The equity shares to be allotted by DIL to the shareholders of FBL will in all respect rank *paripassu* with the existing equity shares of DIL for dividend and voting rights, save and except that the holders of such equity shares shall not be entitled to the dividend declared by DIL before the Effective Date of the Scheme.
  - (e) The authorised share capital of FBL, shall stand transferred to and be amalgamated with the authorised share capital of DIL in the manner as stipulated in Clause 9 of Part III of the Scheme;

- (f) Clause V of the Memorandum of Association of DIL shall be amended in accordance with Clause 9.2 of Part III of the Scheme;
- (g) On the Effective Date of this Scheme, the name of DIL shall be changed from DIL Limited to **FERMENTA BIOTECH LIMITED** or such other name as may be approved by the Registrar of Companies of Maharashtra at Mumbai. The change in the name of DIL shall be effected without any further act or deed and as an integral part of the Scheme and the order of the NCLT sanctioning this Scheme shall be deemed to be an order under provisions of the Act, confirming the change of name of DIL. It shall be deemed that the members of FBL have also resolved and accorded their no objection to adopt the name of FBL after the coming into effect of this Scheme, and dissolution of FBL without winding-up as provided under the Clause 10 of Part III of the Scheme.
6. The Board reviewed the Scheme, Valuation Report and Fairness Opinion and also noted the rationale and the benefits of the Scheme which, inter-alia, are as follows :
- The Transferee Company is holding 91.20% equity stake in the Transferor Company. In order to consolidate and effectively manage the Transferor Company and the Transferee Company in a single entity and to achieve *inter-alia* economies of scale and efficiency, the merger is being undertaken. The amalgamation of the Transferor Company with the Transferee Company would *inter alia* have the following benefits:
- (a) Amalgamation to be value accretive to the shareholders of the Transferee Company as the shareholders would have directly access to the core business of the Group;
- (b) Greater integration and greater financial strength and flexibility for the amalgamated entity, which would result in maximising overall shareholder value;
- (c) Greater efficiency in cash management of the group and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize shareholder value;
- (d) Improved organizational capability and leadership, arising from the pooling of human capital having diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry;
- (e) Cost savings are expected to flow from more focused operational efforts, rationalization, standardisation and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses;
- (f) Reduction in the multiplicity of legal and regulatory compliances required at present to be separately carried out by the Transferor Company and the Transferee Company;
- (g) To optimally leverage the larger assets base and cash flow of the amalgamated entity;
- (h) Amalgamation will result in the Transferee Company directly controlling and managing the business of Transferor Company which would lead to simplification of the shareholding structure and reduction of shareholding tiers; and
- (i) To meet the covenants for taking loan facility and to avail the incentivised reduction in the interest rates from lenders in respect of the borrowing of the Transferor and Transferee Companies.
7. Under the Scheme, there is no arrangement with the creditors, either secured or unsecured of FBL. No compromise is offered under the Scheme to any of the creditors of FBL. The liability of the creditors of FBL, under the Scheme, is neither being reduced nor being extinguished.
8. All the permanent employees of FBL who are in its employment as on the Effective Date of the Scheme shall become the permanent employees of DIL with effect from the Effective Date of the Scheme without any break or interruption in service and on terms and conditions as to employment and remuneration not less favourable than those on which they are engaged or employed by FBL.
9. The directors, KMP of FBL and their respective relatives may have an interest in the Scheme to the extent of the equity shares held by them in FBL and/or to the extent that one of the directors, namely, Mr. Krishna Datla, is a promoter of FBL and/or to the extent that the said promoter along with other promoters of FBL may hold shares in FBL. Further, the shareholding of FBL directors and/or KMP and their relatives in FBL is given below. Save as aforesaid, none of the FBL directors or KMP or their relatives has any material interest in the Scheme:

Name	Status in FBL	No. of equity shares held (Rs. 10 each)
Mr. Krishna Datla	Director in FBL	10,800
Ms. Rajeshwari Datla	Relative of Mr. Krishna Datla	90,738
Ms. Preeti Thakkar	Relative of Mr. Krishna Datla	8,412
Ms. Anupama Datla Desai	Executive Director in FBL	5,400
Mr. Satish Varma	Managing Director in FBL	10*

\*Shares held u/s. erstwhile 187C of the Companies Act, 1956 (now Section 89 of Companies Act, 2013) in favour of DIL Limited.

10. On the coming into effect of this Scheme, the Board of Directors and any committees thereof of FBL shall without any further act, instrument or deed be and stand dissolved and the KMPs of FBL will cease to be KMPs.
11. No special valuation difficulties were reported to the Board by the Valuers.

By order of the Board of Directors of

**Fermenta Biotech Limited**

**Satish Varma**  
**Managing Director**  
**DIN: 00003255**

## **ANNEXURE 6**

### **IN THE NATURE OF ABRIDGED PROSPECTUS MEMORANDUM CONTAINING SALIENT FEATURES OF THE SCHEME OF AMALGAMATION OF FERMENTABIOTECH LIMITED WITH DIL LIMITED AND THEIR RESPECTIVE SHAREHOLDERS (HEREINAFTER REFERRED TO AS THE "SCHEME")**

This document is prepared to comply with the requirement of Regulation 37 of the Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and in accordance with the disclosures in the Abridged Prospectus as provided in Part D of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, to the extent applicable.

**THE ABRIDGED PROSPECTUS CONSISTS OF 13 (THIRTEEN) PAGES.  
PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES**



#### **FERMENTABIOTECH LIMITED**

The Company was incorporated on July 11, 1986 as an unlisted public limited company.

**Registered Office:** -A -1501, Thane One, DIL Complex, Ghodbunder Road, Majiwade,  
Thane (West) 400 610, Maharashtra, India Thane MH 400610 IN

**Tel No.:** 022-67980800/888 ; **Fax No.:** 022-67980899

**E-mail:** fermenta@fermentabiotech.com; **Website:** www.fermentabiotech.com/

**CIN:** U99999MH1986PLC134021

**Contact Person:** Varadvinayak Khambete, Company Secretary

**Tel No.:** 022-67980800/888 ; **Fax No.:** 022-67980899

Email: varadvinayak.khambete@fermentabiotech.com

#### **PROMOTERS OF OUR COMPANY**

**Promoters of the Company:** (I) DIL Limited (II) Mr Krishna Datla.

#### **SCHEME DETAILS AND LISTING**

It is proposed to amalgamate Fermenta Biotech Limited (hereinafter referred to as "FBL" or "the Transferor Company") with DIL Limited (hereinafter referred to as "DIL" or the "Transferee Company" or "the Issuing Company") through a Scheme of Amalgamation under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 as may be applicable.

FBL is a majority owned subsidiary of DIL Limited. DIL presently holds 1,65,92,536 equity shares of Rs. 10/- each in FBL constituting 91.20% of the paid up share capital of FBL. Pursuant to the scheme being effective shareholders of FBL shall directly hold shares in DIL.

The equity shares so offered through the Scheme would be listed on the Stock Exchanges under Regulation 19 of Securities Contracts (Regulation) Rules, 1957. The Equity Shares are proposed to be listed on the BSE Limited, ("BSE"). For the purposes of the Scheme, the Designated Stock Exchange shall be BSE.

#### **PROCEDURE**

The procedure with respect to Public Issue/Offer would not be applicable as this issue is only to the shareholders of the Transferor Company, pursuant to the Scheme without any cash consideration. Hence, the procedure with respect to FBL may be applicable only to the limited extent as specifically provided.

## INDICATIVE TIMELINE

This Abridged Prospectus is filed pursuant to the Scheme, and is not an offer to public at large. Given that the Scheme requires approval of various regulatory authorities including and primarily, the NCLT, the time frame cannot be established with certainty. However, in general, it may take 5 to 6 months after the shareholders' meeting.

## COMPANY'S ABSOLUTE RESPONSIBILITY

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that the Abridged Prospectus contains all information with regard to the Company and this Scheme, which is material in the context of this Scheme, that the information contained in the Abridged Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes the Abridged Prospectus as a whole or any such information or the expression of any such opinions or intentions misleading in any material report.

## GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the equity of the Issuing Company unless they can afford to take the risk of losing their entire investment. Shareholders are advised to read the risk factors carefully before taking an investment decision in relation to the Scheme. For taking an investment decision, shareholders must rely on their own examination of our Company and the Scheme including the risks involved. The equity shares being offered have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of the Abridged Prospectus. Specific attention of the shareholders is invited to the section titled "Risk Factors" at page 11 of the Abridged Prospectus.

<b>Merchant Bankers</b>	<b>Keynote Corporate Services Limited</b> The Ruby, 9th Floor, Senapati Bapat Marg, Dadar West, Mumbai – 400028 Email: info@keynoteindia.net Tel: +91 (22) 3026 6000; Fax: +91 (22) 3026 6088.
<b>Statutory Auditor</b>	<b>Deloitte Haskins and Sells LLP,</b> Chartered Accountants India bulls Finance Centre, Tower 3, 27th to 32nd Floor, Senapati Bapat Marg, Elphinstone Road –West, Mumbai 400013. Email:rajhiranandani@deloitte.com Tel:91-22-61854000 Fax 91-22-61854001

## DETAILS OF PROMOTERS OF OUR COMPANY

- (a) DIL Limited (CIN: L99999MH1951PLC008485) is a listed public limited company incorporated under the Companies Act, 1913 having its registered office at A-1601, Thane One, 'DIL' Complex, Ghodbunder Road, Majiwade, Thane (W) – 400 610, Maharashtra, India ('DIL'). DIL is holding 1,65,92,536 (91.20%) issued, subscribed and paid-up shares of Fermenta Biotech Limited ('FBL') as on date. DIL, through its substantially owned subsidiary, FBL, is majorly into the business of manufacturing and marketing of chemicals, API, enzymes, pharmaceutical formulations and environmental solution products, through its subsidiary and is also engaged in the business of renting of properties.

### Promoters of DIL:

Sr. No.	Name of Promoters	No. of Shares Held	% of Holding
1	DVK Investments Private Limited	49,44,940	53.91
2	Mr. Krishna Datla	7,96,340	8.68
<b>Total Shareholding</b>		<b>57,41,280</b>	<b>62.59</b>

**Board of Directors & KMPs of DIL:**

Sr. No.	Name of Directors & KMPs	Designation	DIN/PAN
1	Mr. Sanjay Buch	Non Executive Chairman	00391436
2	Mr. Krishna Datla	Managing Director	00003247
3	Mr. Satish Varma	Non Executive Director	00003255
4	Ms. Rajeshwari Datla	Non-Executive Director	00046864
5	Mr. Vinayak Hajare	Independent Director	00004635
6	Mr. Srikant N Sharma	Company Secretary	AIUPS3976R
7	Mr. Sumesh Gandhi	Chief Financial Officer	ADWPG5616K

(b) Mr. Krishna Datla is a Commerce Graduate and has 16 years of experience in developing and building-up the diversified businesses of the Company and its group. Mr. Datla, is Promoter Director of FBL since February 1, 2002 and holds 10,800 (0.06%) issued, subscribed and paid-up shares of FBL as on date.

**BUSINESS OVERVIEW/STRENGTH AND STRATEGY****Overview**

FBL, Transferor Company, is an unlisted public limited company incorporated under the Companies Act, 1956 engaged in the business of manufacturing and marketing of chemicals, active pharmaceutical ingredients ('API'), enzymes, pharmaceutical formulations and environmental solution products. FBL is a subsidiary of DIL, which holds 91.20% of issued, subscribed and paid-up shares of FBL as on date.

**Our Competitive Strengths**

- Among the world's largest Vitamin D3 API makers and leading Phenyramidol manufacturer.
- Among the top pioneering companies to introduce enzymatic antibiotics manufacturing technology
- Among few non-European companies with a CEP accreditation by EDQM for Vitamin D3
- Multi-decades experience
- Globally recognized plants for key products.

**Our Strategies**

- Focused towards expanding the product portfolio in organic/inorganic way
- Investing in technology for optimizing process parameters, moderating costs and increasing efficiency.

Name	Designation	Date of Appointment	Qualification	Age (yrs)
<b>Krishna Vasant Kumar Datla</b>	Director	1st February, 2002	B. Com.	37
<b>Satish Varma Azad Nadimpally</b>	Managing Director	4th October, 2004	Computer Science	48
<b>Gopakumar Gopalan Nair</b>	Independent Director	6th August, 2014	PhD from National Chemical Laboratory (NCL), Diploma in Management & Patent Law and L.L.B.	77
<b>Anupama Datla Desai</b>	Executive Director	29th March, 2007	Post graduate in BIOTECH from Mumbai University and a Science Graduate from Boston College USA	40
<b>Sanjay Ramakant Buch</b>	Independent Director	22nd January, 2010	BA Hons and LL.B.	50

- a) **Mr. Krishna Datla** is a Commerce Graduate and has 16 years of experience in developing and building-up the diversified businesses of the Company and its group. Mr. Datla, is Promoter Director of FBL since February 1, 2002 and holds 10,800 (0.06%) issued, subscribed and paid-up shares of FBL as on date. Other than the Company, he is also a director in DIL Limited, DVK Investments Private Limited, Aegean Properties Limited, G.I. Biotech Private Limited, CC Square Films Limited and Magnolia FNB Private Limited. He is also a member of the following:
- Committee(s) in Fermenta Biotech Limited:
- Audit Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committees and Nomination and Remuneration Committee; and
- Committee(s) in DIL Limited:
- Stakeholders Relationship Committee and Corporate Social Responsibility Committee.
- b) **Mr. Satish Varma** is the Managing Director of the Company. He has an extensive and diverse operational, management and legal experience across DIL group of companies. He has been an integral part in framing strategies and management policies of the Company. Other than the Company, he is also a director in DIL Limited, DVK Investments Private Limited, Aegean Properties Limited, G.I. Biotech Private Limited and CC Square Films Limited. He is also a member of the following:
- Committee(s) in Fermenta Biotech Limited:
- Stakeholders Relationship Committee; and
- Committee(s) in DIL Limited:
- Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Nomination and Remuneration Committee.
- c) **Dr. Gopakumar G. Nair** is a Ph.D. from National Chemical Laboratory (NCL), Pune and has Diploma in Management & Patent Law. Dr. Nair is also a Law (LL.B) graduate from Mumbai University. He is an Intellectual Property Rights Consultant and practicing Patent Attorney. He is also a practicing lawyer specializing in Mediation and Arbitration as well as in licensing and technology transfer. Dr Nair has been associated with pharmaceutical industry for more than four decades as Director, Managing Director & Chairman of various public limited pharmaceutical companies and served Industry Associations in various capacities. Dr. Nair has many articles and publications to his credit, including valid granted Indian patent, as inventor. Other than the Company, he is also a director in Ultramarine & Pigments Limited, Sequent Scientific Limited, Alivira Animal Health Limited and Gnanlex Hermeneutics Private Limited. He is also a member of the Audit Committee and Nomination and Remuneration Committee in Fermenta Biotech Limited.
- d) **Ms. Anupama Datla Desai** is a Post-Graduate in Biotechnology from Mumbai University and Science Graduate from the Boston College, USA. Quality control and implementation of safety policies and procedures across the organization. She is in charge of introducing and implementing new technology platforms into the company and also spearheads the new business development, customer interaction and marketing in India and overseas. Other than the Company, she is also a director in Dupen Laboratories Private Limited and Lacto-Cosmetics (Vapi) Private Limited. She is also a member of the Corporate Social Responsibility Committee in Fermenta Biotech Limited.
- e) **Mr. Sanjay Buch** is B.A (Hon) in Economics, and a law graduate. He is a partner at Crawford Bayley & Company, a respected firm of advocates and solicitors, headquartered in Mumbai. Over the last two decades he has been involved in a wide spectrum of legal work. He specializes in Business Restructuring as well as Mergers and Acquisitions and advises several large domestic and international corporations. He is a Non-Executive Director and member of various committees of the Board of Directors of the Company. Other than the Company; he is also a director in DIL Limited, Convergence Chemicals Private Limited, Indofil Industries Limited, Indo Baijin Chemicals Private Limited and JM Foundation for Excellence In journalism. He is also a member of the Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee in Fermenta Biotech Limited; Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee in DIL Limited; Audit Committee and Stakeholders Relationship Committee in Indofil Industries Limited.

Changes in the Board of Directors in the last three years are provided as follows:

Name	Date of Appointment	Date of Cessation	Reasons
Peter John Bains (Independent Director)	March 19, 2010	March 30, 2018	Resignation
Viswanath Chibrolu (Director)	January 17, 2011	December 14, 2017	Resignation
T. P. Devarajan (Alternate Director to Mr. Viswanath Chibrolu)	March 14, 2011	December 14, 2017	Resignation

#### Shareholding Pattern

Shareholding pattern of the Transferor Company as on the date of the Scheme is as follows:

Category	Name of Equity	Pre-Issue Equity Shareholding		Proposed post-issue shareholding in FBL pursuant to the Scheme	
		No of Equity Shares	%	No. of shares	%
Promoter	Mr. Krishna Datla	10,800	0.06	<b>Not applicable, since the Company would be merged with DIL Limited, there will be no post issue capital.</b>	
	DIL Limited	16,592,626	91.20		
Public	–	15,89,418	8.74		
	<b>Total</b>		<b>100.00</b>		

Shareholding Pattern of the Transferee Company as on March 31, 2018 and the indicative Post-Scheme Shareholding is as under:

Sl. No.	Names	(Pre-Scheme) Pre-merger No. of shares [Face value Rs. 5/- each]	% Holding of Pre-merger	(Post-Scheme) Post-merger No. of Equity shares# [Face value Rs. 5 each]	% Holding of Post-merger
<b>(A)</b>	<b>Promoter &amp; Promoter Group</b>				
1.	Krishna Datla	1,99,085	8.68%	8,00,643	8.16%
2.	DVK Investments Private Limited	12,36,235	53.91%	49,79,611	50.76%
	Sub total	14,35,320	62.59%	57,80,254	58.92%
<b>(B)</b>	<b>Public Shareholders</b>				
	Public	8,57,878	37.41%	40,30,075	41.08%
	Sub total	8,57,878	37.41%	40,30,075	41.08%
	Total (A+B)	22,93,198	100.00%	98,10,329	100.00%



#Comprises of

- (i) shares issued in DIL pursuant to split/ sub-division of shares from face value of Rs. 10 each to face value of Rs. 5 each;
- (ii) bonus equity shares issued in DIL in proportion of 1:1 i.e. 1 new equity share of Rs. 5 each for every 1 existing equity share of Rs. 5 each, and
- (iii) shares to be allotted to FBL shareholders against their shareholding in FBL pursuant to the Scheme in a proportion of 100 (Hundred) equity shares of DIL of Rs. 5 each fully paid up for every 251 (Two Hundred and Fifty-One only) equity shares of FBL of Rs. 10 (Rupees Ten only) each fully paid up.

**Total number of direct subsidiaries and joint ventures of FBL: 2 (subsidiaries)**

Name of the Subsidiary/Joint Venture	Paid-up Equity Capital as on 31st March, 2018	Turnover for the year ended 31st March, 2018	Profit/(Loss) after tax for the year ended 31st March, 2018	Shareholding of FBL in Subsidiary/ Joint Venture	Listing Status
Fermenta Biotech (UK) Limited	£ 2,20,001	Nil	(£1,18,792)	100%	Unlisted
G. I. Biotech Private Limited	Rs. 1,00,000	NIL	(Rs.71139)	62.50%	Unlisted

**List of top 5 largest listed / unlisted group companies as per Part A, Schedule VIII, Regulation 2, Item (IX) (C) (2) SEBI (ICDR) Regulations, 2009**

Listed : DIL Limited

Unlisted : Fermenta Biotech Limited

**FBL's RELATED AUDITED FINANCIALS (Rs. in Lakhs)**

Item	Particulars (Standalone)	FY 2018(a)	FY 2017 (a)	FY 2016	FY 2015	FY 2014
1	Revenue from operations (net)	30048.83	16312.73	14973.46	12925.42	12501.43
2	Net Profit/(Loss) before tax and extraordinary items	9248.38	1271.07	1,617.54	189.40	1063.69
3	Net Profit/(Loss) after tax and extraordinary items	7206.33	1034.29	1,188.92	32.60	796.03
4	Equity Share Capital	1,770.45	1,770.45	1,770.45	1,770.45	1,770.45
5	Reserves and Surplus	15495.77	8272.11	7280.62	6091.70	6070.86
6	Net Worth	17266.22	10042.56	9051.07	7862.15	7841.31
7	Basic Earnings Per Share (in Rs.)	39.61	5.69	6.54	0.18	4.38
8	Diluted Earnings Per Share (in Rs.)	39.61	5.69	6.54	0.18	4.38
9	Return on Net Worth	41.73%	10.30%	13.14%	0.41%	10.15%
10	Net Asset value Per Share	94.91	55.21	49.75	43.22	43.10

**Notes:**

- (a) The information provided under items (1) to (5), (7) and (8) have been taken from Audited Statutory Financial Statements of FBL for the year ended March 31, 2017 and March 31, 2018 prepared in accordance with applicable Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015] (as amended) and other relevant provisions of the Act.

- (b) Audited Statutory Financial Statements for the year ended up to and for March 31, 2016 were prepared in accordance with the accounting principles generally accepted in India, including Accounting Standard specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and other relevant provisions of Companies Act, 2013.
- (c) Net worth (item 6) has been calculated by adding the balance of Equity Share Capital (item 4) and Reserve and Surplus / Other Equity (item 5).
- (d) Return on net worth (%) (item 9) has been calculated by applying the following formula: (Loss)/ Profit after tax (item 3) divided by Net Worth (item 6) and multiplied by 100.
- (e) Net asset value per share (item 10) has been calculated by adding the balances of Equity Share Capital (item 4) and Reserve and Surplus / Other Equity (item 5) and dividing the same by the number of shares outstanding (March 2018: 1,81,92,844, March 2017: 1,81,92,844 and March 2016: 1,81,92,844) as appearing in financial statements (as explained in note (a) above).

#### **BASIS OF ISSUE PRICE**

N S Kumar & Co., Chartered Accountants, have submitted a Share Exchange Ratio Report dated June 21, 2018 and recommended a fair equity share exchange ratio for the proposed amalgamation of FBL into DIL. As per the said Share Exchange Ratio Report the Share Exchange Ratio has been derived as follows:

- (a) Upon the coming into effect of this Scheme and its consideration thereof, DIL shall without any further application, act or deed, issue and allot ('Share Exchange Ratio'), subject to the provisions of the clause (b) herein below

*"100 (Hundred) equity shares of INR. 10/- (Rupees Ten only) each credited as fully paid-up of the Transferee Company for every 1006 (One Thousand Six) equity shares of INR. 10/- (Rupees Ten only) held in the Transferor Company and whose names are recorded in the register of members on the cut-off date."*

- (b) Subject to members' approval, the Board of directors of the Transferee Company at its meeting held on June 18, 2018 approved: (a) split/sub division of share from face value of INR. 10/- each to face value of INR. 5/- each; and (b) issue of bonus equity shares in the proportion of 1:1, having face value of INR. 5/- each. Accordingly, the number of shares to be issued to the shareholders of the Transferor Company will undergo change as follows ('New Share Exchange Ratio'):

*"100 (Hundred) equity shares of the Transferee Company of INR 5/- (Rupees Five only) each fully paid up for every 251 (Two Hundred and Fifty-One only) equity shares of the Transferor Company of INR. 10/- (Rupees Ten only) each fully paid up."*

*[Note: The provision of (b) above has come to effect as the members of the Transferee Company have on July 25, 2018 approved (i) split/sub division of share from face value of INR. 10/- each to face value of INR. 5/- each; and (ii) issue of bonus equity shares in the proportion of 1:1, having face value of INR. 5/- each by way of postal ballot including e-voting dated July 25, 2018.]*

#### **INTERNAL RISK FACTORS**

- The Company is exposed to normal industry risk factors, economic cycle and uncertainties in the markets.
- Any Lapse or Qualitative discrepancies may affect the Company's brand.
- Increased competition could affect the Company's realizations and profitability.
- Inability to retain and recruit intellectual talent could affect the Company's competitiveness.
- Unforeseen events can affect the Company's business in certain geographies.
- Inability to scale output can limit the Company's global market share.
- Risk of leakage of key information, spam or malware can affect the normal running of the business.
- Natural calamity at the plant can stop the production for a long period of time.

## **SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION**

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- A. Total Number of outstanding litigations against FBL and amount involved – No material litigations as on date.
- B. Brief details of top 5 material outstanding litigations against FBL and amount involved:  
No material outstanding litigations against FBL as on the date.
- C. Regulatory Action and disciplinary action taken by SEBI or stock exchanges against the Promoters Group Companies in last 5 financial years including outstanding action, if any – Nil
- D. Brief details of outstanding criminal proceedings against Promoters – Nil

## **RATIONALE AND BENEFITS OF THE COMPOSITE SCHEME OF ARRANGEMENT**

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The Transferee Company holds 91.20% equity stake in the Transferor Company. In order to consolidate and effectively manage the Transferor Company and the Transferee Company in a single entity and to achieve inter-alia economies of scale and efficiency, the merger is being undertaken. The amalgamation of the Transferor Company with the Transferee Company would inter alia have the following benefits:

- (a) Amalgamation to be value accretive to the shareholders of the Transferee Company as the shareholders would have direct access to the core business of the Transferor Company;
- (b) Greater integration and greater financial strength and flexibility for the amalgamated entity, which would result in maximising overall shareholder value;
- (c) Greater efficiency in cash management of the group and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize shareholder value;
- (d) Improved organizational capability and leadership, arising from the pooling of human capital having diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry;
- (e) Cost savings are expected to flow from more focused operational efforts, rationalization, standardization and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses;
- (f) Reduction in the multiplicity of legal and regulatory compliances required at present to be separately carried out by the Transferor Company and the Transferee Company;
- (g) To optimally leverage the larger assets base and cash flow of the amalgamated entity;

## **OTHER REGULATORY AND STATUTORY DISCLOSURES**

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- Authority for the issue – The Scheme was approved by the Board of Directors of the Company in their meeting held on June 21, 2018. The same is subject to statutory approvals including from the SEBI, Shareholders, Stock Exchanges, National Company Law Tribunal, Mumbai Bench, Regional Director, Registrar of Companies & Official Liquidator.
- Expert Opinion obtained, if any – Share Exchange Report and Fairness Opinion
- Material Contracts and Documents for Inspection:
  1. Memorandum & Articles of Association of the Company
  2. Financial Statements & Shareholding of Company for the period ended March 31, 2018
  3. Draft Scheme of Amalgamation
  4. Share Exchange Ratio Report and Fairness Opinion pursuant for the Scheme
  5. Networth Certificate pre and post Scheme
- Time and Place of Inspection of material contracts – Copies of the abovementioned contracts and also the documents for the inspection referred to hereunder, may be inspected at FBL's Registered Office situated at A-1501, Thane One, DIL Complex, Majiwade, Thane, West, 400610 between 10:00 a.m. and 5:00 p.m. on all working days (Monday to Friday) from the date of this Abridged Prospectus until the listing approval.

## DECLARATION BY THE COMPANY

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We hereby certify and declare that all the relevant provisions of the Companies Act, 2013 and the guidelines issued by the Government or the regulations, rules or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Abridged Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SEBI Act or rules or regulations made or guidelines issued thereunder, as the case may be. We further certify that all disclosures made in Abridged Prospectus are true and correct.

The Transferee Company provides an undertaking that at any given time, there shall be only one denomination for the equity shares of the issuer and it shall comply with such disclosure and accounting norms specified by the Board from time to time.

Place : Thane

**For Fermenta Biotech Limited**

Date : September 11, 2018

**Varadvinayak Khambete**

**Company Secretary**

Membership No. A33861

# KEYNOTE



Date: 11<sup>th</sup> September 2018

The Board of Directors  
**Fermenta Biotech Limited**  
A -1501, Thane One, DIL Complex,  
Ghodbunder Road, Majiwade,  
Thane (West) 400 610, Maharashtra,  
India Thane MH 400610 IN

Dear Sir/Madam,

**Ref: Abridged Prospectus of Fermenta Biotech Limited a subsidiary of DIL Limited**

**Subject: Due Diligence Certificate for the Abridged Prospectus of Fermenta Biotech Limited**

Scheme of Amalgamation under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 to amalgamate Fermenta Biotech Limited ("FBL") with DIL limited ("DIL") and their respective shareholders and creditors in terms of requirement specified in SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("SEBI Circular").

This is with reference to our engagement, for *inter-alia* certifying the accuracy and adequacy of disclosures pertaining to FBL made in the abridged prospectus dated 11<sup>th</sup> September 2018, prepared by the Company to be sent to the shareholders and creditors (both secured as well as unsecured) of the Company pursuant to the Scheme.

We, as SEBI registered Merchant Banker(s) state and confirm as follows in respect of above proposed Scheme:

- (1) We have examined various documents including those relating to outstanding litigation, claims and regulatory actions and other material in connection with the finalization of the Abridged Prospectus as mentioned above;
- (2) On the basis of such examination and the discussions with FBL, its directors and other officers, other agencies, and independent verification of the statements concerning the objects of the Scheme and the contents of the documents and other papers furnished by FBL, WE CONFIRM that:
  - (a) the Abridged Prospectus filed with the Board is in conformity with the documents, materials and papers relevant to the Scheme;
  - (b) all the legal requirements relating to the Scheme as also the regulations guidelines, instructions, etc. framed/issued by the Board, the Central Government and any other competent authority in this behalf have been duly complied with; and



**CERTIFIED TRUE COPY**

**For FERMENTA BIOTECH LIMITED**

Varadvinayak Khambete  
Company Secretary

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**Keynote Corporate Services Limited**

The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400028  
Tel.: 91 22 3026 6000 • Fax: 91 22 3026 6088 Email: info@keynoteindia.net • Website: www.keynoteindia.net  
CIN-L67120MH1993PLC072407

## KEYNOTE

- (c) the disclosures made in the Abridged Prospectus are true, fair and adequate to enable the investors to make a well informed decision as to the proposed Scheme and such disclosures are in accordance with the requirements of the Companies Act, 2013, Securities and Exchange Board of India (the "SEBI") Circular Number CFD/DIL3/CIR/2017/21 dated March 10, 2017, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and other applicable provisions / legal requirements.

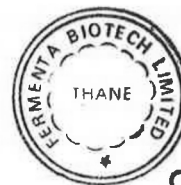
The above confirmation is based on the information furnished and explanations provided to us by the management of FBL assuming the same is complete and accurate in all material aspects on an as is basis. We have relied upon financials, information and representations furnished to us on an as is basis and have not carried out an audit of such information. Our scope of work does not constitute an audit of financial information and accordingly we are unable to and do not express an opinion on the fairness of any such financial information referred to in the Abridged Prospectus. This certificate is based on the information as at September 11<sup>th</sup>, 2018. This certificate is a specific purpose certificate issued in terms of the SEBI Circular and hence, it should not be used for any other purpose or transaction. The certificate is not, nor should it be construed to be, a certification of compliance of the Scheme with the provisions of the applicable Law including company, taxation and securities markets related laws or as regards to any legal implications or issues arising thereon, except for the purpose expressly mentioned herein.

We express no opinion whatsoever and make no recommendation at all as to the Company's underlying decision to effect the Scheme or as to how the holders of equity shares are secured or unsecured creditors of Company should vote at their respective meetings held in connection with the Proposed Scheme. We do not express and should not be deemed to have expressed any views on any other terms of the Scheme or its success. We also express no opinion, and accordingly, accept no responsibility for or as to the price at which the equity shares of Company will trade following the Scheme or as to the financial performance of FBL, DIL following the consummation of the Scheme. We express no opinion whatsoever and make no recommendations at all (and accordingly take no responsibility) as to whether shareholders/ investors should buy, sell or hold any stake in the Company or any of its related parties (holding company/ subsidiaries/ associates etc.)

For **Keynote Corporate Services Limited**




Name: **Mr. Uday Patil**  
Designation: **Director – Investment Banking**  
SEBI Registration Number: **INM000003606**



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For **FERMENTA BIOTECH LIMITED**

  
Varadvinayak Khambete  
Company Secretary

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**Keynote Corporate Services Limited**

The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400028  
Tel.: 91 22 3026 6000 • Fax: 91 22 3026 6088 Email: info@keynoteindia.net • Website: www.keynoteindia.net  
CIN-L67120MH1993PLC072407

DCS/AMAL/BA/R37/1328/2018-19

November 6, 2018

The Company Secretary,  
**DIL LTD.**  
A-1601, Thane One, DIL Complex, Ghodbunder Road, Majiwade,  
Thane, Maharashtra, 400610

Sir,

**Sub: Observation letter regarding the Draft Scheme of Amalgamation of Fermenta Biotech Limited and DIL Limited and their respective shareholders.**

We are in receipt of Draft Scheme of Amalgamation of Fermenta Biotech Limited and DIL Limited and their respective shareholders filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated November 5, 2018 has inter alia given the following comment(s) on the draft scheme of arrangement:

- “Company shall ensure that the proposed scheme is acted upon only if the majority votes cast by the public shareholders are in favour of the proposal.”
- “Company shall ensure that additional information, if any, submitted by the Company, after filing the scheme with the Stock Exchange, and from the date of receipt of this letter is displayed on the websites of the listed company.”
- “Company shall duly comply with various provisions of the Circulars.”
- “Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.”
- “It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.”

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT. Further, where applicable in the explanatory statement of the notice to be sent by the company to the

(2)

shareholders, while seeking approval of the scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,

  
**Nitinkumar Pujari**  
Senior Manager



## ANNEXURE 9

DIL LIMITED

CIN:L99999MH1951PLC008485

STANDALONE BALANCE SHEET AS AT MARCH 31, 2019

	As at March 31, 2019	As at March 31, 2018
	₹ in Lakhs	₹ in Lakhs
<b>ASSETS</b>		
<b>Non-current assets</b>		
a) Property, plant and equipment	1,080.51	1,177.82
b) Investment property	8,177.20	8,409.48
c) Intangible assets	1.36	2.12
d) Investments		
i) Investments in equity instruments of subsidiaries	10,032.20	10,032.20
ii) Investments in associates	-	700.00
iii) Investments in joint ventures	-	-
(e) Financial assets		
i) Investments	57.67	7.57
ii) Share application money	597.00	906.86
iii) Loans	0.32	31.85
iv) Other financial assets	175.19	222.89
f) Deferred tax assets	2,297.83	-
g) Non-current tax assets (Net)	328.92	98.32
h) Other non-current assets	169.17	161.53
<b>Total non-current assets</b>	<b>22,917.37</b>	<b>21,750.64</b>
<b>Current assets</b>		
a) Financial assets		
i) Investments	114.79	105.89
ii) Trade receivables	25.04	28.20
iii) Cash and cash equivalents	111.46	134.89
iv) Bank balances other than (iii) above	15.25	22.26
v) Loans	30.03	8.30
vi) Other financial assets	29.75	69.19
b) Other current assets	79.96	140.29
<b>Total current assets</b>	<b>406.28</b>	<b>509.02</b>
<b>TOTAL ASSETS</b>	<b>23,323.65</b>	<b>22,259.66</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
a) Equity share capital	458.64	229.32
b) Other equity	5,525.13	6,242.59
<b>Total equity</b>	<b>5,983.77</b>	<b>6,471.91</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
a) Financial liabilities		
i) Borrowings	12,706.30	13,201.79
ii) Other financial liabilities	353.32	533.73
b) Provisions	189.23	71.89
c) Other non-current liabilities	871.20	171.18
<b>Total non-current liabilities</b>	<b>14,120.05</b>	<b>13,978.59</b>
<b>Current liabilities</b>		
a) Financial liabilities		
i) Borrowings	654.93	572.50
ii) Trade payables		
A) Total outstanding dues of micro and small enterprises	-	-
B) Total outstanding dues of creditors other than micro and small enterprises	265.34	179.64
iii) Other financial liabilities	1,680.15	897.54
b) Provisions	17.33	16.48
c) Other current liabilities	602.08	143.00
<b>Total current liabilities</b>	<b>3,219.83</b>	<b>1,809.16</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>23,323.65</b>	<b>22,259.66</b>

For DELOITTE HASKINS & SELLS LLP For and on behalf of the Board of Directors of DIL Limited

Chartered Accountants

**Rajesh K. Hiranandani**  
Partner

**Sanjay Buch**  
Chairman

**Krishna Datla**  
Managing Director

**Rajeshwari Datla**  
Director

**Satish Varma**  
Director

**Vinayak Hajare**  
Director

**Sumesh Gandhi**  
Chief Financial Officer

Mumbai, May 24, 2019

**Dr Gopakumar Nair**  
Additional Director

**DIL LIMITED**

CIN:L99999MH1951PLC008485

**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019**

	Year Ended March 31, 2019 ₹ in Lakhs	Year Ended March 31, 2018 ₹ in Lakhs
<b>Income:</b>		
Revenue from operations	1,935.41	1,250.83
Other income	32.26	37.99
<b>Total Income</b>	<b>1,967.67</b>	<b>1,288.82</b>
<b>Expenses:</b>		
Employee benefits expense	567.37	577.26
Depreciation and amortisation expense	378.53	382.64
Finance costs	1,596.08	1,063.43
Other expenses	1,990.59	1,611.96
<b>Total expenses</b>	<b>4,532.57</b>	<b>3,635.29</b>
<b>Loss before tax</b>	<b>(2,564.90)</b>	<b>(2,346.47)</b>
<b>Tax expense:</b>		
Current tax	-	-
Deferred tax charge/(credit)	(2,297.83)	69.00
<b>Total tax expense</b>	<b>(2,297.83)</b>	<b>69.00</b>
<b>Loss for the year</b>	<b>(267.07)</b>	<b>(2,415.47)</b>
<b>Other comprehensive income</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Remeasurements of defined benefit plan	(85.39)	(5.29)
Fair value change in investment in equity instruments measured at fair value through other comprehensive income	2.57	1.12
Total other comprehensive income / (loss) for the year	(82.82)	(4.17)
<b>Total comprehensive loss for the year</b>	<b>(349.89)</b>	<b>(2,419.64)</b>
<b>Earnings per equity share (nominal value per equity share)</b>		
Basic (in ₹)	(2.91)	(26.33)
Diluted (in ₹)	(2.91)	(26.33)

For DELOITTE HASKINS &amp; SELLS LLP

For and on behalf of the Board of Directors of DIL Limited

Chartered Accountants

**Rajesh K. Hiranandani**  
Partner  
Mumbai, May 24, 2019

**Sanjay Buch**  
Chairman

**Krishna Datla**  
Managing Director

**Rajeshwari Datla**  
Director

**Satish Varma**  
Director

**Vinayak Hajare**  
Director

**Sumesh Gandhi**  
Chief Financial Officer

**Srikant N. Sharma**  
Company Secretary

**Dr Gopakumar Nair**  
Additional Director

Thane, May 24, 2019

**DIL LIMITED**  
CIN:L99999MH1951PLC008485  
**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019**

PARTICULARS	₹ In Lakhs	
	Year ended March 31, 2019	Year ended March 31, 2018
<b>A. Cash flows from operating activities</b>		
Loss before tax	(2,564.90)	(2,346.47)
Adjustments for:		
Depreciation and amortisation expense	378.53	382.64
Profit/Loss on sale of property, plant and equipment	(4.94)	5.70
Provision for impairment of non-current investment in a associate	863.85	588.00
Loss on sale of shares of an associate	61.48	-
Net gain on fair valuation of investments through profit and loss	(8.90)	(5.45)
Provision for share of loss in a joint venture in excess of cost of investment	-	13.02
Finance costs	1,596.08	1,063.43
Interest income	(18.30)	(13.10)
Dividend income	(0.08)	(0.05)
Provision for doubtful debts and advances	37.00	5.52
<b>Operating loss before working capital changes</b>	<b>339.82</b>	<b>(306.76)</b>
Movements in working capital :		
Decrease in trade receivables	3.16	6.18
Decrease/(increase) in inventories	-	-
Decrease in other assets	68.82	160.59
Increase in trade payables	85.68	103.50
Increase/(decrease) in provisions	32.80	(17.70)
Increase in other liabilities	1,259.07	256.39
	<b>1,789.35</b>	<b>202.20</b>
Income taxes paid	(230.60)	(69.92)
<b>Net cash generated from operations (A)</b>	<b>1,558.75</b>	<b>132.28</b>
<b>B. Cash flows from investing activities</b>		
Payments for purchase of property, plant and equipment, investment property including capital work-in-progress and intangible assets	(45.28)	(452.85)
Proceeds from disposal of property, plant and equipment	12.23	5.23
Interest received	11.98	6.75
Purchase of investments		
In a subsidiary	-	(8,292.95)
In a joint venture	-	(58.00)
Proceeds from sale of investments		
In a associate	37.00	-
Dividend received	0.08	0.05
Bank balances not considered as cash and cash equivalents	7.01	(107.26)
<b>Net cash generated/(used in) from investing activities (B)</b>	<b>23.02</b>	<b>(8,899.03)</b>
<b>C. Cash flows from financing activities</b>		
Proceeds from borrowings	582.44	14,592.50
Repayment of borrowings	(464.72)	(4,744.99)
Finance costs	(1,577.68)	(944.69)
Dividend paid	(121.67)	(60.07)
Dividend distribution tax paid	(23.57)	(11.67)
<b>Net cash (used in) / generated from financing activities (C)</b>	<b>(1,605.20)</b>	<b>8,831.08</b>
<b>Net increase / (decrease) in cash and cash equivalents (A)+(B)+(C)</b>	<b>(23.43)</b>	<b>64.33</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>134.89</b>	<b>70.56</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>111.46</b>	<b>134.89</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	0.29	1.65
Balances with banks in current account	111.17	133.24
<b>Total cash and cash equivalents</b>	<b>111.46</b>	<b>134.89</b>

For DELOITTE HASKINS & SELLS LLP  
Chartered Accountants

Rajesh K. Hiranandani  
Partner  
Mumbai, May 24, 2019

For and on behalf of the Board of Directors of DIL Limited

Sanjay Buch  
Chairman

Krishna Datla  
Managing Director

Rajeshwari Datla  
Director

Satish Varma  
Director

Vinayak Hajare  
Director

Sumesh Gandhi  
Chief Financial Officer

Srikant N. Sharma  
Company Secretary

Dr Gopakumar Nair  
Additional Director

Thane, May 24, 2019

**ANNEXURE 10**

**Fermenta Biotech Limited**  
 CIN : U99999MH1986PLC134021  
**Standalone Balance Sheet as at March 31, 2019**

**fbl**

( ₹ in Lakhs )

	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>		
<b>Non-current assets</b>		
(a) Property, plant and equipment	7,795.47	7,462.73
(b) Capital work-in-progress	2,072.16	250.06
(c) Intangible assets	228.83	208.92
(d) Intangible assets under development	85.99	99.50
(e) Investments in subsidiaries	35.97	38.07
(f) Financial assets		
(i) Investments	4.11	4.11
(ii) Loans	25.00	6.26
(iii) Other financial assets	455.69	426.04
(g) Non-current tax assets (Net)	3.29	8.03
(h) Other non-current assets	2,810.00	446.90
<b>Total non-current assets</b>	<b>13,516.51</b>	<b>8,950.62</b>
<b>Current assets</b>		
(a) Inventories	8,766.53	5,117.88
(b) Financial assets		
Investments		
(i) Trade receivables	6,572.33	6,863.02
(ii) Cash and cash equivalents	3,924.80	2,122.68
(iii) Bank balances other than (ii) above	5,021.67	930.58
(iv) Loans	1,150.23	1.09
(v) Other financial assets	229.75	22.57
(c) Other current assets	3,856.26	2,623.31
<b>Total current assets</b>	<b>29,521.57</b>	<b>17,681.14</b>
<b>TOTAL ASSETS</b>	<b>43,038.08</b>	<b>26,631.76</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity share capital	1,770.45	1,770.45
(b) Other equity	26,784.87	15,495.77
<b>Total equity</b>	<b>28,555.32</b>	<b>17,266.22</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
(a) Financial liabilities		
Borrowings	814.64	335.00
Other financial liabilities	-	-
(b) Provisions	441.72	201.09
(c) Deferred tax liabilities (Net)	366.73	219.70
<b>Total non-current liabilities</b>	<b>1,623.09</b>	<b>755.79</b>
<b>Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	5,366.32	2,413.01
(ii) Trade payables		
(A) Total outstanding dues of micro and small enterprises and;	97.89	38.33
(B) Total outstanding dues of creditors other than micro and small	4,018.17	3,847.30
(iii) Other financial liabilities	2,572.62	1,443.14
(b) Provisions	39.95	30.20
(c) Current tax liabilities (Net)	512.51	376.06
(d) Other current liabilities	252.21	461.70
<b>Total current liabilities</b>	<b>12,859.67</b>	<b>8,609.73</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>43,038.08</b>	<b>26,631.76</b>

**For DELOITTE HASKINS & SELLS LLP**  
 Chartered Accountants

**For and on behalf of the Board of Directors of**  
**Fermenta Biotech Limited**

**Rajesh K. Hiranandani**  
 Partner

**Sanjay Buch**  
 Chairman

**Satish Varma**  
 Managing Director

**Krishna Datla**  
 Director

**Anupama Datla Desai**  
 Executive Director

**Gopakumar Nair**  
 Director

**Amol Lone**  
 Chief Financial Officer

Mumbai, May 24, 2019

**Varadvinayak Khambete**  
 Company Secretary

Thane, May 24, 2019

**Fermenta Biotech Limited**  
CIN : U99999MH1986PLC134021  
**Standalone Statement of Profit and Loss for the year ended March 31, 2019**



( ₹ in Lakhs )

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Income</b>		
Revenue from operations	38,925.51	29,202.00
Other income	1,206.61	846.83
<b>Total income</b>	<b>40,132.12</b>	<b>30,048.83</b>
<b>Expenses</b>		
Cost of materials consumed	10,320.06	8,490.24
Purchases of stock-in-trade	187.54	28.80
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(1,282.35)	(538.92)
Excise duty on sale of goods	-	30.79
Employee benefits expense	4,750.43	3,405.77
Finance costs	469.23	299.95
Depreciation and amortisation expense	806.79	770.49
Other expenses	10,203.77	8,313.33
<b>Total expenses</b>	<b>25,455.47</b>	<b>20,800.45</b>
<b>Profit before tax</b>	<b>14,676.65</b>	<b>9,248.38</b>
<b>Tax expense:</b>		
(1) Current tax	3,192.21	2,104.43
(2) Deferred tax	182.36	(62.38)
<b>Total tax expense</b>	<b>3,374.57</b>	<b>2,042.05</b>
<b>Profit for the year</b>	<b>11,302.08</b>	<b>7,206.33</b>
<b>Other comprehensive income</b>		
Items that will not be reclassified to profit or loss		
(i) Remeasurements of defined benefit plan	(101.11)	10.50
(ii) Income tax relating to remeasurement of defined benefit plan	35.33	(3.63)
<b>Total other comprehensive income / (loss) for the year</b>	<b>(65.78)</b>	<b>6.87</b>
<b>Total comprehensive income for the year</b>	<b>11,236.30</b>	<b>7,213.20</b>
<b>Earnings per equity share (nominal value per equity share ₹ 10 each)</b>		
Basic (in ₹)	<b>63.84</b>	* <b>40.70</b>
Diluted (in ₹)	63.83	* <b>40.70</b>

\*Restated

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

**For and on behalf of the Board of Directors of  
Fermenta Biotech Limited**

**Rajesh K. Hiranandani**  
Partner

**Sanjay Buch**  
Chairman

**Satish Varma**  
Managing Director

**Krishna Datla**  
Director

**Anupama Datla Desai**  
Executive Director

**Gopakumar Nair**  
Director

**Amol Lone**  
Chief Financial Officer

**Varadvinayak Khambete**  
Company Secretary

Mumbai, May 24, 2019

Thane, May 24, 2019

	Year ended March 31, 2019	Year ended March 31, 2018
<b>Cash flows from operating activities</b>		
Profit before tax as per Statement of profit and loss	14,676.65	9,248.38
<i>Adjustments for :</i>		
Depreciation and amortisation expense	806.79	770.49
Net unrealised foreign exchange gain	(137.55)	(240.69)
Loss / (Profit) on sale of property, plant and equipment (Net)	62.67	(86.12)
Allowance for doubtful debts and advances (Net)	67.58	449.87
Trade receivables, loans and advances written off (Net)	27.39	-
Impairment of non-current investment in a subsidiary	2.10	146.55
Finance costs	469.23	299.95
Share based payments to employees	52.80	-
Dividend income	(0.30)	(0.24)
Interest income	(402.09)	(32.26)
<b>Operating profit before working capital changes</b>	<b>15,625.27</b>	<b>10,555.93</b>
<b>Movements in working capital :</b>		
Increase in trade payables	247.02	1,188.37
Increase in provisions	149.25	57.30
Increase in other liabilities	503.38	1,359.61
Increase in inventories	(3,648.65)	(1,243.29)
(Increase) / decrease in trade receivables	261.37	(2,552.56)
Increase in other assets	(2,620.47)	(2,123.86)
Cash generated from operations	10,517.17	7,241.51
Income taxes paid (Net of refunds)	(3,051.02)	(1,757.64)
<b>Net cash generated by operating activities (A)</b>	<b>7,466.15</b>	<b>5,483.86</b>
<b>Cash flows from investing activities</b>		
Payments for purchase of property, plant and equipment (Including capital work-in-progress, intangible assets and intangible assets under development)	(3,481.16)	(1,257.91)
Proceeds on sale of property, plant and equipment	41.65	165.97
Inter corporate deposits given	(1,150.00)	-
Loan given	(25.00)	-
Deposits with banks not considered as cash and cash equivalents (Net)	(4,091.09)	(776.87)
Deposit with financial institution	(300.00)	-
Interest received	281.35	10.92
Dividend received	0.30	0.24
<b>Cash flows from financing activities</b>		
Proceeds from long term borrowings	817.95	28.00
Repayment of long term borrowings	(295.19)	(339.54)
Net proceeds / (repayment) of short term borrowings	2,769.88	(1,008.94)
Finance costs	(465.10)	(297.55)
<b>Net cash generated from / (used in) financing activities (C)</b>	<b>2,827.54</b>	<b>(1,618.03)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A)+(B)+(C)</b>	<b>1,569.74</b>	<b>2,008.19</b>
Cash and cash equivalents at the beginning of the year	2,122.68	114.49
<b>Cash and cash equivalents at the end of the year</b>	<b>3,692.42</b>	<b>2,122.68</b>
Cash in hand	3.05	3.24
Balances with banks	1,022.69	1,113.30
Deposits with original maturity of less than 3 months	2,899.06	1,006.14
Effect of exchange changes on the balances of cash and cash equivalents held in foreign currencies	1.86	-
Cash and cash equivalents	3,926.66	2,122.68
Cash credit facilities included under loans repayable on demand	(234.24)	-

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

**For and on behalf of the Board of Directors of  
Fermenta Biotech Limited**

**Rajesh K. Hiranandani**  
Partner

**Sanjay Buch**  
Chairman

**Satish Varma**  
Managing Director

**Krishna Datla**  
Director

**Anupama Datla Desai**  
Company Secretary  
Thane , May 24, 2019

**Gopakumar Nair**  
Director

**Amol Lone**  
Chief Financial Officer

Mumbai, May 24, 2019

## ANNEXURE 11



CIN : L99999MH1951PLC008485

Regd. Office : A-1601, Thane One, DIL Complex, Ghodbunder Road, Majiwade, Thane (West) 400 610, Maharashtra, India  
Tel : +91-22-67980888, • Fax : +91-22-67980899, • Email : contact@dil.net, • Website : www.dil.net

### Complaint Report

Details of complaints, if any, received from '12<sup>th</sup> September, 2018' to '2<sup>nd</sup> October, 2018' for the proposed Scheme of Amalgamation of Fermenta Biotech Limited (the "Transferor Company") and DIL Limited (the "Transferee Company" / "Applicant Company") and their respective shareholders, under sections 230 to 232 of the Companies Act, 2013.

#### Part A

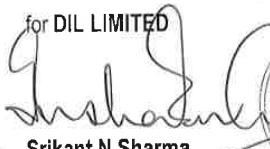

Sr. No.	Particulars	Number
1.	Number of complaints received directly.	0
2.	Number of complaints forwarded by Stock Exchange.	0
3.	Total number of complaints / comments received (1+2).	0
4.	Number of complaints resolved.	0
5.	Number of complaints pending.	0

#### Part B

Sr. No.	Name of Complainant	Date of Complaint	Status (Resolved / Pending)
1.	N.A.	N.A.	N.A.
2.	N.A.	N.A.	N.A.
3.	N.A.	N.A.	N.A.
4.	N.A.	N.A.	N.A.
5.	N.A.	N.A.	N.A.

Yours faithfully,

for DIL LIMITED

**Srikant N Sharma**  
Company Secretary

CS Membership No: F3617

A-1601, Thane One, DIL Complex, Ghodbunder Road, Majiwade, Thane (W) 400610

Date: October 8, 2018.

Place: Thane.

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL  
BENCH AT MUMBAI  
COMPANY SCHEME APPLICATION NO. 1394 OF 2018  
IN THE MATTER OF THE COMPANIES ACT, 2013;  
AND**

**IN THE MATTER OF APPLICATION UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013 AND OTHER  
APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013;**

**AND**

In the matter of **DIL Limited**;

**AND**

In the matter of Scheme of Amalgamation of Fermenta Biotech Limited (the Transferor Company) with DIL Limited (the Transferee Company) and their respective shareholders.

DIL Limited  
CIN: L99999MH1951PLC008485  
Company incorporated under the Companies Act, 1913 having its registered office at  
A-1601, Thane One, 'DIL' Complex, Ghodbunder Road, Majiwade,  
Thane (West) – 400 610, Maharashtra, India

**.....the Transferee Company**

**PROXY FORM**

Name of the unsecured creditors : .....

Registered address: .....

E-mail ID: .....

Reg. Vendor No.: .....

I/We, being the unsecured creditor(s) of DIL Limited, hereby appoint:

1. Name: .....  
Address: .....  
E-mail ID: ..... Signature : ..... or failing him
2. Name: .....  
Address: .....  
E-mail ID: ..... Signature: ..... or failing him
3. Name: .....  
Address: .....  
E-mail ID: ..... Signature: ..... or failing him

as my/our Proxy to attend and vote for me/us and on my/our behalf at the Meeting of the Unsecured Creditors convened by the Hon'ble National Company Law Tribunal Bench at Mumbai to be held at A-1601, Thane One, 'DIL' Complex, Ghodbunder Road, Majiwade, Thane (West) – 400 610, Maharashtra, India on Monday, July 8, 2019, at 4.00 p.m. (16.00 hours) (IST) and at any adjournment or adjournments thereof in respect of such resolution as is indicated below:

Resolution No.	Resolution
1.	Approval for the Scheme of Amalgamation of Fermenta Biotech Limited (the Transferor Company) with DIL Limited (the Transferee Company) and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

Signed this .....day of ....., 2019.

Affix Re.1  
revenue  
stamp

Signature of the Unsecured Creditor(s) .....

(Signature across the stamp)

Signature of the Proxy Holder(s) .....



**Notes:**

1. THE UNSECURED CREDITOR ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE THE UNSECURED CREDITOR OF THE COMPANY.
2. This proxy form in order to be effective should be duly completed and deposited at the registered office of the Company at A-1601, Thane One, 'DIL' Complex, Ghodbunder Road, Majiwade, Thane (West) – 400 610, Maharashtra, India, not later than 48 (forty eight) hours before the scheduled time of the commencement of the Meeting.
3. All alterations in the proxy form should be initialed by the unsecured creditor.
4. Please affix appropriate revenue stamp before putting signature.
5. No person shall be appointed as a proxy who is a minor.
6. For the Resolution, Explanatory Statement and Notes, please refer to the Notice of the Meeting of the Unsecured Creditors of the Company.

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL  
BENCH AT MUMBAI  
COMPANY SCHEME APPLICATION NO. 1394 OF 2018  
IN THE MATTER OF THE COMPANIES ACT, 2013;  
AND**

**IN THE MATTER OF APPLICATION UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013 AND OTHER  
APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013;**

**AND**

In the matter of **DIL Limited**;

**AND**

In the matter of Scheme of Amalgamation of Fermenta Biotech Limited (the Transferor Company) with DIL Limited (the Transferee Company) and their respective shareholders.

DIL Limited

CIN: L99999MH1951PLC008485

Company incorporated under the Companies Act, 1913 having its registered office at  
A-1601, Thane One, 'DIL' Complex, Ghodbunder Road, Majiwade,  
Thane (West) – 400 610, Maharashtra, India

**ATTENDANCE SLIP**

**MEETING CONVENED BY THE NATIONAL COMPANY LAW TRIBUNAL OF THE UNSECURED CREDITORS ON MONDAY, JULY 8, 2019 at 4.00 p.m. (16.00 hours) (IST)**

I/We hereby record my/our presence at the Meeting of the Unsecured Creditors of the Company, convened pursuant to an Order dated June 6, 2019 of Hon'ble National Company Law Tribunal Bench at Mumbai at A-1601, Thane One, 'DIL' Complex, Ghodbunder Road, Majiwade, Thane (West) – 400 610, Maharashtra, India on Monday, July 8, 2019 at 4.00 p.m. (16.00 hours) (IST)

Name and address of the Unsecured Creditors .....

(IN BLOCK LETTERS): .....

.....

Signature: .....

Reg. Vendor No.: .....

Name of the Proxy\* .....

(IN BLOCK LETTERS): .....

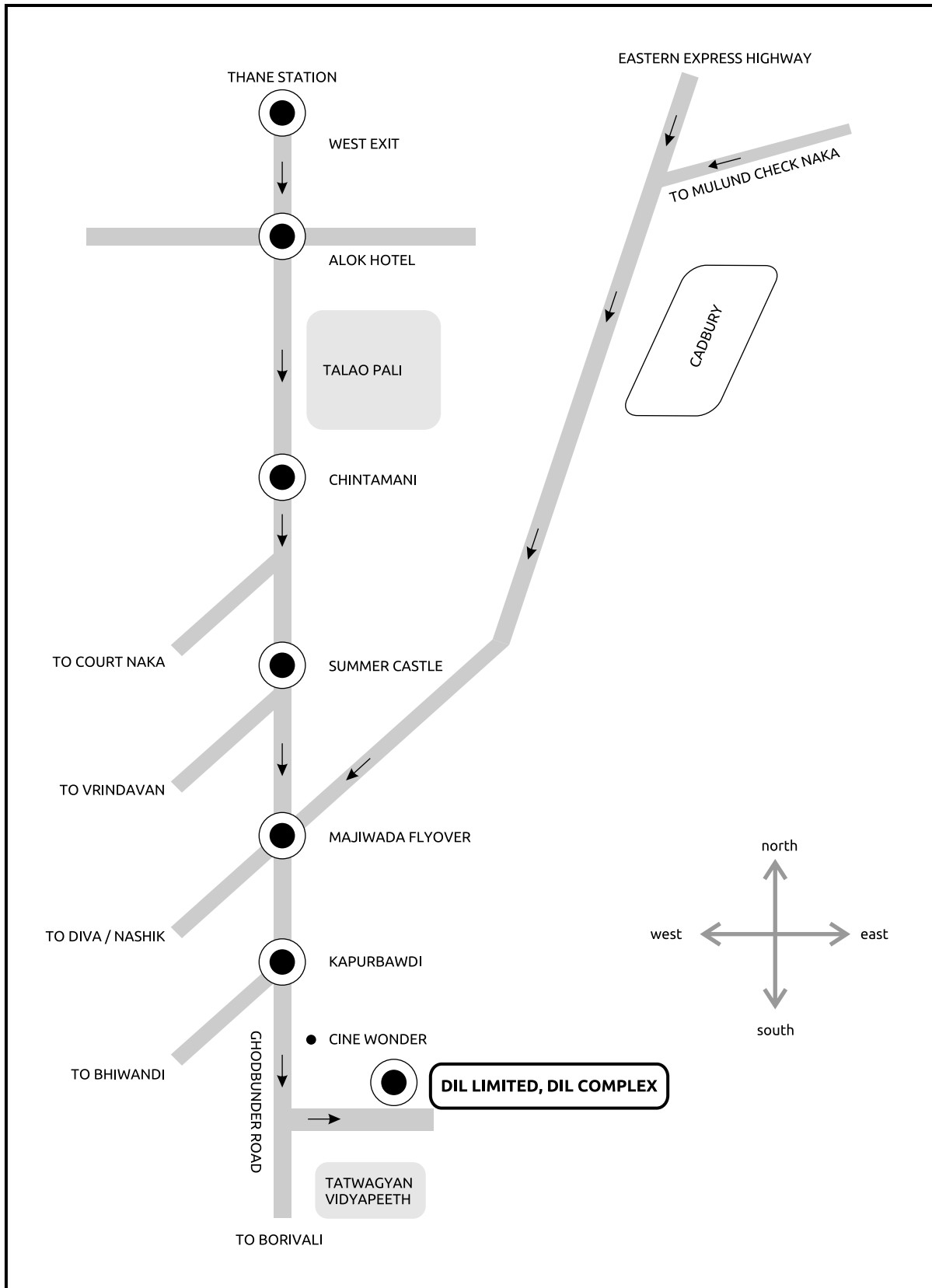
Signature: .....

\* (To be filled in by the Proxy in case he/she attends instead of the shareholder).

**Notes:**

1. Only Unsecured Creditor /Proxy holder can attend the Meeting.
2. Please complete the Regd. Vendor No. and name of the Unsecured Creditor /Proxy holder sign this Attendance Slip and hand it over, duly signed, at the entrance of the Meeting Hall.
3. The Unsecured Creditor /Proxy holder attending the meeting should bring copy of the Notice for reference at the meeting.

# DIL Limited - Creditors' Meeting Roadmap



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