

Fermenta Biotech Limited (formerly known as DIL Limited)

CIN: L99999MH1951PLC008485

Regd. Office: A - 1501, Thane One, DIL Complex, Ghodbunder Road, Majiwade, Thane (W) - 400 610, Maharashtra, India.

Tel. : +91-22-6798 0888 Fax. : +91-22-6798 0899

Email : info@fermentabiotech.com, Website. : www.fermentabiotech.com



October 11, 2021

To,
BSE Limited,
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai – 400 001

Subject: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding approval of the Composite Scheme of Amalgamation and Arrangement at the meeting of the Board of Directors held on October 11, 2021

Ref: Scrip Code: 506414

Dear Sir/Madam,

Further to our intimation dated October 4, 2021 in this regard, and in terms of requirement of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is informed that the Board of Directors, based on the recommendations of the Audit Committee and the Committee of Independent Directors, has considered and approved a Composite Scheme of Amalgamation and Arrangement (the “**Scheme**”) presented under Section 230 to 232 read with other applicable provisions of the Companies Act, 2013 (“**the Act**”) and the Rules framed thereunder. Further the Board has given authorisation to file the Scheme along with relevant disclosures, documents, certifications, and undertakings with the stock exchange.

The Scheme, inter-alia, provides for –

- a) Amalgamation of DVK Investments Private Limited (“**DVK**” or “**Transferor Company 1**”), a private company holding 51.22% share capital of the Company, engaged in the business of a residuary Non-banking Financial Company, into Fermenta Biotech Limited (“**FBL**” or “**Transferee Company**”); and
- b) Amalgamation of Aegean Properties Limited (“**APL**” or “**Transferor Company 2**”), a wholly owned subsidiary of the Company, engaged in the business of renting of immovable properties, into the Company.

The Scheme is subject to receipt of approvals of shareholders and creditors of companies involved and approval of other regulatory authorities as may be required, including those of the BSE Limited, Securities and Exchange Board of India, Reserve Bank of India, the National Company Law Tribunal, Mumbai Bench (“**NCLT**”) and other regulatory authorities as applicable.

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Disclosure in terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015 is enclosed herewith as **Annexure 1**.

You are requested to kindly take the same on record and inform all concerned.

Thanking you,

Yours truly,

For Fermenta Biotech Limited
(Formerly known as DIL Limited)

A handwritten signature in blue ink, appearing to read 'Srikant N Sharma', is written over a light blue horizontal line.

Srikant N Sharma
Company Secretary
FCS No. F3617

Encl: as above

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**Annexure 1****Disclosures regarding the proposed Composite Scheme of Amalgamation and Arrangement**

Sr. No.	Particulars	Details																								
a)	Name of the entities forming part of the amalgamation/merger, details in brief such as size, turnover, etc	<p>Transferee Company: Fermenta Biotech Limited (“FBL”)</p> <table border="1"> <tr> <td>Authorised capital (As on March 31, 2021)</td> <td>4,98,40,000 Equity Shares of INR 5/- each 1,60,000 Unclassified shares of INR 5/- each</td> </tr> <tr> <td>Paid-up share capital (As on March 31, 2021)</td> <td>2,94,30,987 Equity Shares of INR 5/- each</td> </tr> <tr> <td>Turnover (FY 2020-21)</td> <td>Rs. 372.82 Crores</td> </tr> <tr> <td>Net Profits/ Losses (FY 2020-21)</td> <td>Rs. 51.97 Crores</td> </tr> </table> <p>Transferor Company 1: DVK Investments Private Limited (“DVK”)</p> <table border="1"> <tr> <td>Authorised capital (As on March 31, 2021)</td> <td>65,30,000 Equity Shares of INR 10/- each</td> </tr> <tr> <td>Paid-up share capital (As on March 31, 2021)</td> <td>65,21,665 Equity Shares of INR 10/- each</td> </tr> <tr> <td>Turnover (FY 2020-21)</td> <td>Rs. 0.20 Crores</td> </tr> <tr> <td>Net Profits/ Losses (FY 2020-21)</td> <td>Rs. (0.32) Crores</td> </tr> </table> <p><i>*Transferor Company 1 holds 51.22% paid up share capital of the Transferee Company.</i></p> <p>Transferor Company 2: Aegean Properties Limited* (“APL”)</p> <table border="1"> <tr> <td>Authorised capital (As on March 31, 2021)</td> <td>30,000 Equity Shares of INR 100/- each</td> </tr> <tr> <td>Paid-up share capital (As on March 31, 2021)</td> <td>30,000 Equity Shares of INR 100/- each</td> </tr> <tr> <td>Turnover (FY 2020-21)</td> <td>Rs. 0.18 Crores</td> </tr> <tr> <td>Net Profits/ Losses (FY 2020-21)</td> <td>Rs. 0.09 Crores</td> </tr> </table> <p><i>*Transferee Company holds 100% paid up share capital of the Transferor Company 2.</i></p>	Authorised capital (As on March 31, 2021)	4,98,40,000 Equity Shares of INR 5/- each 1,60,000 Unclassified shares of INR 5/- each	Paid-up share capital (As on March 31, 2021)	2,94,30,987 Equity Shares of INR 5/- each	Turnover (FY 2020-21)	Rs. 372.82 Crores	Net Profits/ Losses (FY 2020-21)	Rs. 51.97 Crores	Authorised capital (As on March 31, 2021)	65,30,000 Equity Shares of INR 10/- each	Paid-up share capital (As on March 31, 2021)	65,21,665 Equity Shares of INR 10/- each	Turnover (FY 2020-21)	Rs. 0.20 Crores	Net Profits/ Losses (FY 2020-21)	Rs. (0.32) Crores	Authorised capital (As on March 31, 2021)	30,000 Equity Shares of INR 100/- each	Paid-up share capital (As on March 31, 2021)	30,000 Equity Shares of INR 100/- each	Turnover (FY 2020-21)	Rs. 0.18 Crores	Net Profits/ Losses (FY 2020-21)	Rs. 0.09 Crores
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b)	Whether the transaction would fall within the related party transactions? If Yes, whether the same is done at “Arm’s Length”	<p>In terms of General Circular No. 30/2014 dated July 17, 2014, issued by the Ministry of Corporate Affairs, the proposed amalgamation would not be considered as related party transaction (‘RPT’). However, the present transaction may be deemed to be a related party transaction under the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other related rules and regulations (as amended from time to time).</p> <p>For Amalgamation of DVK into FBL, the consideration will be discharged on an “arm’s length basis”. The share exchange ratio for the shares to be allotted to the shareholders of Transferor Company 1 is based on an independent share exchange ratio report provided by Mr. Niranjan Kumar, Registered Valuer–Securities or Financial Assets. Further, Galactico Corporate Services Limited, a SEBI registered Category - I Merchant Banker, has also issued a fairness opinion on the share exchange ratio. The aforementioned Share Exchange Ratio Report and Fairness Opinion have duly been considered by the Audit Committee, Committee of Independent Director and the Board of Directors of FBL.</p> <p>For Amalgamation of APL into FBL, compliance with Regulation 23(2), 23(3) and 23(4) is not required in view of Regulation 23(5) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.</p> <p>The companies involved in the Scheme have following relationship with each other–</p> <ul style="list-style-type: none"> • DVK holds 51.22% of the paid-up share capital in FBL; and • FBL holds 100% paid up equity share capital in APL.
c)	Area of Business of the entity(ies)	<p>Fermenta Biotech Limited is engaged in the business of manufacturing and marketing of chemicals, active pharmaceutical ingredients, enzymes, pharmaceutical formulations and environmental solution products and is also engaged in the business of renting of properties.</p> <p>DVK Investments Private Limited is engaged in the business of a Non-Banking Financial Company without accepting public deposits (Non-Systemically Important).</p> <p>Aegean Properties Limited is engaged in the business of renting of properties.</p>
d)	Rationale for the Amalgamation/ Merger	<p>The Amalgamation of the Transferor Company 1 and the Transferor Company 2 with the Transferee Company is sought to be undertaken to achieve the following benefits.</p>

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		<ul style="list-style-type: none"> i. Simplification of the group structure and consolidation of legal entities; ii. Reducing the number of legal entities, resulting into lesser administrative and regulatory compliances; iii. Simplification of the shareholding structure and reduction of shareholding tiers thereby providing greater transparency in relation to the Promoters' direct engagement with the Transferee Company; iv. Improved allocation of capital and optimization of cash flows contributing to the overall growth prospectus of the combined entity; v. Creation of a larger asset base by consolidation of the assets and facilitation of access to better financial resources; and vi. The Transferee Company would benefit from freeing up of management time, and related cost savings, as the simplification of the group structure would reduce intra-group transaction reporting requirements that apply to the Transferee Company vii. Enable greater / enhanced focus of the management on the business; and viii. Creating enhanced value for Transferee Company's shareholders and allow a focused strategy in operations, which would be in the best interest of all its shareholders, creditors and all other stakeholders.
e)	In case of cash consideration - amount or otherwise share exchange ratio;	<p>There is no cash consideration involved in the scheme.</p> <p>a) Amalgamation of Transferor Company 1 with the Transferee Company:</p> <p>Based upon the Share Exchange Ratio Report, the Fairness Opinion and the recommendations received from Audit Committee, the Board has approved the Scheme for the transfer and vesting of DVK into the Transferee Company, in consideration for which the Transferee Company will issue and allot to the shareholders of DVK, equal number of its equity shares as held by DVK in the Transferee Company – 1,50,75,318 (One Crore Fifty Lakhs Seventy Five Thousand Three Hundred and Eighteen Only) equity shares of the face value of INR 5 (Rupees five only) each, credited as fully paid up in the share capital of the Company, in the proportion of the number of equity shares held by the shareholders in DVK, without any further act or deed, due to operation of law and upon this Scheme becoming effective.</p>

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		<p>b) Amalgamation of Transferor Company 2 with the Transferee Company:</p> <p>The entire issued, paid-up, subscribed share capital of APL is directly held by FBL. Therefore, no shares shall be issued by the FBL pursuant to the Scheme becoming effective.</p>																																
f)	Brief details of change in shareholding pattern (if any) of listed entity	<p>1. Amalgamation of Transferor Company 1 with Transferee Company</p> <p>Prior to the Scheme being effective, DVK is holding the following number of shares in the Transferee Company:</p> <table border="1" data-bbox="624 741 1406 976"> <thead> <tr> <th>Name of the shareholder</th> <th>No. of shares held</th> <th>Face value (INR)</th> <th>Shareholding (%)</th> </tr> </thead> <tbody> <tr> <td>DVK Investments Private Limited</td> <td>1,50,75,318</td> <td>5</td> <td>51.22%</td> </tr> </tbody> </table> <p>Post effectiveness of the Scheme, the shares held by DVK in the Transferee Company shall get cancelled. The Transferee Company shall issue equal number of equity shares as held by DVK in the Company, to the respective shareholders of DVK. The revised shareholding of the Transferee Company post Scheme with respect to shares issued to shareholders of DVK shall appear as follows:</p> <table border="1" data-bbox="632 1285 1477 1570"> <thead> <tr> <th>Name of the shareholder</th> <th>No. of shares held</th> <th>Face value (INR)</th> <th>Shareholding (%)</th> </tr> </thead> <tbody> <tr> <td>Krishna Datla</td> <td>75,49,151</td> <td>5</td> <td>25.65%</td> </tr> <tr> <td>Satish Varma</td> <td>34,30,165</td> <td>5</td> <td>11.65%</td> </tr> <tr> <td>Preeti Thakkar</td> <td>20,48,529</td> <td>5</td> <td>6.96%</td> </tr> <tr> <td>Anupama Datla Desai</td> <td>20,47,473</td> <td>5</td> <td>6.96%</td> </tr> <tr> <td>TOTAL</td> <td>1,50,75,318</td> <td>-</td> <td>51.22%</td> </tr> </tbody> </table> <p>2. Amalgamation of Transferor Company 2 with Transferee Company</p> <p>There will not be any change in the shareholding of the Transferee Company.</p>	Name of the shareholder	No. of shares held	Face value (INR)	Shareholding (%)	DVK Investments Private Limited	1,50,75,318	5	51.22%	Name of the shareholder	No. of shares held	Face value (INR)	Shareholding (%)	Krishna Datla	75,49,151	5	25.65%	Satish Varma	34,30,165	5	11.65%	Preeti Thakkar	20,48,529	5	6.96%	Anupama Datla Desai	20,47,473	5	6.96%	TOTAL	1,50,75,318	-	51.22%
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