

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.

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REPORT OF THE INDEPENDENT DIRECTORS' COMMITTEE (BUSINESS RESTRUCTURING)
["COMMITTEE OF INDEPENDENT DIRECTORS"] OF FERMENTA BIOTECH LIMITED
RECOMMENDING DRAFT COMPOSITE SCHEME OF AMALGAMATION AND ARRANGEMENT
AMONGST DVK INVESTMENTS PRIVATE LIMITED AND AEGEAN PROPERTIES LIMITED AND
FERMENTA BIOTECH LIMITED AND THEIR RESPECTIVE SHAREHOLDERS ISSUED AT THE
MEETING HELD ON JANUARY 31, 2022

PRESENT:**IN ATTENDANCE:**

Mr. Vinayak Hajare - Chairman

Ms. Rajashri Ojha - Member

Dr. Gopakumar Nair - Member

I. BACKGROUND

The **Committee of Independent Directors**, at its meeting held on September 29, 2021 had considered and made recommendation to the Board of Directors for approval of the draft Composite Scheme of Amalgamation and Arrangement (hereinafter referred to as "**Scheme**") amongst DVK Investments Private Limited ("**DVK**" or the "**Transferor Company 1**") and Aegean Properties Limited ("**APL**" or the "**Transferor Company 2**") and Fermenta Biotech Limited ("**FBL**" or the "**Transferee Company**" or "**the Company**") and their respective shareholders.

However, in view of the recent SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated 23rd November 2021 read with BSE Limited's notice no. 20211101-8 dated November 1, 2021 regarding the standard operating procedures on application filed under Regulation 37 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 w.r.t. Scheme of Arrangements (BSE's Notice), to comply with the applicable requirements, revised proposal was placed before the Committee of Independent Directors at its meeting held on January 31, 2022 which was considered and recommended to the Board for approval of the draft Composite Scheme of Amalgamation and Arrangement (hereinafter referred to as "**Scheme**") amongst DVK Investments Private Limited ("**DVK**" or the "**Transferor Company 1**") and Aegean Properties Limited ("**APL**" or the "**Transferor Company 2**") and Fermenta Biotech Limited ("**FBL**" or the "**Transferee Company**" or "**the Company**") and their respective shareholders.

FBL is a listed public company 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. DVK

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Investments Private Limited is engaged in the business of a residuary Non-banking Financial Company and Aegean Properties Limited is engaged in the business of renting of properties.

This Report of Committee of Independent Directors is made in order to comply with the provisions of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 read with BSE's Notice.

The draft Scheme was placed before the Committee of Independent Directors to consider and recommend the same to the Board of Directors and/or the Audit Committee of the Company after taking into account that the Scheme is not detrimental to the Shareholders of the Company, along with the following documents:

- a) Draft Scheme, duly initialled by the Chairman of the Committee of Independent Directors of the Company for the purpose of identification;
- b) Share Exchange Ratio Report dated January 29, 2022 issued by Mr. Niranjana Kumar, Registered Valuer – Securities or Financial Assets, providing the share exchange ratio for the proposed Scheme;
- c) Fairness Opinion dated January 29, 2022 prepared by Kunvarji Finstock Private Limited, a SEBI Registered Category I Merchant Banker, providing the Fairness Opinion on the share exchange ratio ("Fairness Opinion") as recommended by Mr. Niranjana Kumar, Registered Valuer – Securities or Financial Assets; and
- d) Certificate dated October 11, 2021 issued by the Statutory Auditors of the Company i.e., Deloitte Haskins & Sells LLP, Chartered Accountants, to the effect that the Scheme is in compliance with the applicable Accounting Standards as specified by the Central Government under Section 133 of the Companies Act, 2013;

II. RATIONALE

The Committee of Independent Directors notes the rationale of the draft Scheme, which is as follows:

- *"The Transferee Company and the Transferor Company 1 and the Transferor Company 2 are desirous of amalgamating the Transferor Company 1 and Transferor Company 2 as a going concern with the Transferee Company in accordance with sections 230 to 232, and/or other applicable provisions of the Companies Act, 2013.*
- *The Amalgamation of the Transferor Companies with the Transferee Company is sought to be undertaken to achieve the following benefits.*



- 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.*
- *There would be no change in the paid-up share capital of the Transferee Company, pursuant to the amalgamation of Transferor Company 1 and Transferor Company 2 with the Transferee Company.*
 - *By virtue of the Scheme coming into effect, there would neither be any adverse change in the financial position of the Transferee Company nor would there be any change in control over the Transferee Company, as the existing shareholders of the Transferor Company 1 will continue to jointly exercise control over the Transferee Company in a similar manner as they are controlling currently through Transferor Company 1. Further, the shareholders of the Transferor Company 1 shall indemnify the Transferee Company and keep the Transferee Company indemnified from and against any liability, claim or demand of the Transferor Company 1 that may devolve on the Transferee Company on account of the Amalgamation."*



The Committee of Independent Directors is of the informed opinion that the proposed rationale of the Scheme will be beneficial for the Company and its shareholders.

III. SALIENT FEATURES OF THE SCHEME

The Committee of Independent Directors considered and observed the following salient features in relation to the draft Scheme:

- i. The Scheme shall be operative from Effective Date or such other date as may be approved by the jurisdictional National Company Law Tribunal and/or the concerned authority ("**Appointed Date**").
- ii. The Scheme will come into effect subject to approval of Stock Exchange, Reserve Bank of India, Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT'), shareholders and such other statutory authorities as may be required.
- iii. Pursuant to the proposed amalgamation, the Company shall issue shares as follows:

For amalgamation of Transferor Company 1 with the Transferee Company –

"1,50,75,318 (One Crore Fifty Lakhs Seventy Five Thousand Three Hundred and Eighteen Only) fully paid up equity shares of the face value of INR 5 each of the Transferee Company shall be issued and allotted as fully paid up equity shares to the equity shareholders of the Transferor Company 1, in proportion to their holding of 65,21,665 (Sixty-Five Lakhs Twenty-One Thousand Six Hundred and Sixty-Five) fully paid-up equity shares of the face value of INR 10 each in the Transferor Company 1."

For amalgamation of Transferor Company 2 with the Transferee Company -

The Transferor Company 2 is a wholly owned subsidiary of the Transferee Company and the entire issued, paid-up, subscribed share capital of APL is directly held by FBL. Therefore, no shares shall be issued by FBL pursuant to the Scheme becoming effective.

- iv. The Company shall account for the proposed amalgamation in its books of accounts as per Pooling of Interest Method prescribed under Appendix C of Ind AS – 103: Business Combinations notified under section 133 of the Companies Act, 2013.
- v. All the expenses in connection to the Scheme will be borne by the Company. The value of assets to be received by the Company from Transferor Company 1 will be far more than the cost of implementation which will be borne by Company as the Company is not giving any consideration for these surplus assets.



IV. VALUATION AND SWAP RATIO

The Committee of Independent Directors perused the following documents in relation to the Scheme:

- i. Draft Scheme;
- ii. Share Exchange Ratio Report dated January 29, 2022 issued by Niranjan Kumar, Registered Valuer – Securities or Financial Assets; and
- iii. Fairness Opinion dated January 29, 2022 issued by Kunvarji Finstock Private Limited, an Independent SEBI Registered Category - I Merchant Banker

The Committee of Independent Directors noted the following:

Upon this Scheme becoming effective, the Company will issue shares, in consideration of the amalgamation, as follows:

For amalgamation of Transferor Company 1 with the Transferee Company –

"1,50,75,318 (One Crore Fifty Lakhs Seventy Five Thousand Three Hundred and Eighteen Only) fully paid up equity shares of the face value of INR 5 each of the Transferee Company shall be issued and allotted as fully paid up equity shares to the equity shareholders of the Transferor Company 1, in proportion to their holding of 65,21,665 (Sixty-Five Lakhs Twenty-One Thousand Six Hundred and Sixty-Five) fully paid-up equity shares of the face value of INR 10 each in the Transferor Company 1."

For amalgamation of Transferor Company 2 with the Transferee Company –

The Transferor Company 2 is a direct wholly owned subsidiary of the Transferee Company and the entire issued, paid-up, subscribed share capital of APL is directly held by FBL. Therefore, no shares shall be issued by FBL pursuant to the Scheme becoming effective.

Based on the above, the Committee of Independent Directors is of the informed opinion that the proposed Scheme is not detrimental to the interest of the Shareholders of the Company or for the Company.

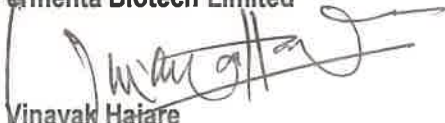
V. RECOMMENDATIONS OF THE COMMITTEE OF INDEPENDENT DIRECTORS

The Committee of Independent Directors after due deliberations and due consideration of all the terms of the draft Scheme, Share Exchange Ratio Report, Fairness Opinion Report, Certificate of



Statutory Auditors and the specific points mentioned above including interest of Shareholders of the Company, recommends the draft Scheme for favourable consideration by the Board of Directors of the Company, the BSE, the Securities and Exchange Board of India and other statutory / regulatory authorities including National Company Law Tribunal, Mumbai Bench..

**By Order of the Committee of Independent Directors (Business Restructuring)
of Fermenta Biotech Limited**


Mr. Vinayak Hajare
Chairman of the meeting

Date: January 31, 2022
Place: Mumbai




Ref. no. - YBL/MUM/ELC/12/2021/08 NO-OBJECTION CERTIFICATE

Date: 22/12/2021

To,
Fermenta Biotech Limited ("Company")
A-1501, Thane One, DIL Complex,
Ghodbunder Road, Majiwada,
Thane (West) 400 610,
Maharashtra, India

Subject: No-objection Certificate to the scheme of amalgamation of DVK Investments Pvt Ltd and Aegean Properties Limited into Fermenta Biotech Limited.

Re: Your request e-mail/letter dated 07.12.2021 on the subject.

Dear Sir/Madam,

This has reference to your letter under reference.

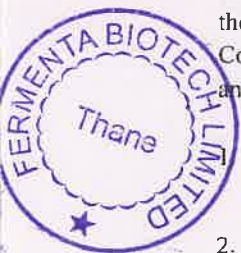
The Company has availed credit facility of an amount of INR 520 MM ("Loan" and documents executed in relation thereto shall be referred as "Loan Documents") from **Yes Bank Limited (YBL)** on such terms and conditions and against such security as mentioned in the YBL facility letter No. YBL/MUM/ELC/FL/0329/2021-22 dated August 5, 2021 including amendments thereto ("Facility Letter"):

The above loans are secured by hypothecation on current assets of Fermenta Biotech limited, charge on factory land and building including movable fixed assets of properties located at Kullu and Dahej. Security details as per Facility Letter ("Secured Property").

Whereas, in our capacity as a Secured Lender, you have sought approval from us, vide your aforementioned e-mail/letter dated 07.12.2021, for a scheme of amalgamation of the business of scheme of amalgamation of DVK Investments Pvt Ltd (Holding Company) and Aegean Properties Limited (Wholly owned subsidiary), as Transferors, into Fermenta Biotech Limited as "Transferee".

Yes Bank Limited hereby conveys that it has No Objection as a Secured Creditor to the proposed scheme of amalgamation (as annexed herewith) of the Transferor Company/ies with the Transferee Company pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013, and other applicable provisions of the said Companies Act together with its amendments from time to time. Please note that this No Objection is conditional and subject to the compliance of the below:

- You shall promptly, and no later than three (3) business day from the date of receipt of the order of the National Company Law Tribunal sanctioning the Scheme, provide a copy thereof to us, duly certified as true by a 'Key Managerial Personnel' (as defined under the Companies Act, 2013) of the said company.
- Submission of such other document and carrying out such other acts deeds as may be demanded by Yes Bank
- Execution of appropriate amendatory documents as may be advised by Yes Bank to give effect to the said change in constitution in order to ensure that the Transferee Company is on the loan structure.



YES BANK

This conditional NOC is issued at your request for the aforementioned purpose only and shall in no way jeopardize Yes Bank's charge by way of mortgage and/or hypothecation of the Secured Property.

The above is without prejudice to any rights as a Lender in terms of the Loan documents and your obligation with respect to repayment of the Loan.

For and on behalf of Yes Bank Limited

Authorised Signatory



For Fermenta Biotech Limited

Srikant Sharma
Company Secretary



GHODBUNDER ROAD BRANCH

Solitaire Towers, Chitalsar Manpada, Ghodbunder road,
Thane (West) 400601. Tel: 022-25890025/25890083

Ref no: adv:28012022

Dt.28-01-2022

To,

Director,

Fermenta Biotech Limited,

A-1501 , Thane One , DIL Complex , Ghodbunder Road

Majiwada , Thane (West) 400610

Dear Sir,

Subject: No Objection Certificate for amalgamation of M/s DVK Investments Private Limited & M/s Aegean Properties Ltd into M/s Fermenta Biotech Ltd

With respect to your request Dt.07-12-2021, we confirm that we do not have any objection for amalgamation of M/s DVK Investments Private Limited & M/s Aegean Properties Ltd into M/s Fermenta Biotech Ltd.

For Fermenta Biotech Limited

Srikant Sharma
Company Secretary

कृते यूनियन बैंक ऑफ इंडिया
For UNION BANK OF INDIA

मुख्य प्रबंधक/Chief Manager
घोडबंदर रोड शाखा/Ghodbunder Rd.

Dt. 28/01/2022



NO-OBJECTION CERTIFICATE

Date:

To,
Fermenta Biotech Limited
A-1501, Thane One, DIL Complex,
Ghodbunder Road, Majiwada,
Thane (West) 400 610,
Maharashtra, India

Subject: No-objection Certificate in respect of scheme of amalgamation of the amalgamation of the DVK Investments Pvt Ltd and Aegean Properties Limited into Fermenta Biotech Limited.

Rcf: LAN - 405HPF47524622, 405HLC57833105, 405HLC81508252
Re: Your e-mail/letter dated 07.12.2021

Dear Sir/Madam,

You have availed of a credit facility for an amount of Rs. 105.00 Cr ("**Loan**") from Bajaj Housing Finance Limited ("**BFL**"), and to secure the repayment of dues in relation to the Loan, you have mortgaged in our favour the properties as described below ("**Secured Property**") The above loans are secured by hypothecation of the lease agreements of Thane One (consisting of 1st floor to 13th floor) and equitable mortgage of the premises at Ceejay House owned by Aegean Properties Limited (APL), a wholly owned subsidiary of the Company.

Whereas, in our capacity as a Secured Lender, you have sought approval from us, vide your aforementioned e-mail/letter dated 07.12.2021, for a scheme of amalgamation of the business of scheme of amalgamation of the amalgamation of the DVK Investments Pvt Ltd (Holding Company) and Aegean Properties Limited (Wholly owned subsidiary) into Fermenta Biotech Limited.

BHFL hereby conveys that it has No Objection as a Secured Creditor to the proposed scheme of amalgamation (as annexed herewith) of the Transferor Company/ies with the Transferee Company pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013, and other applicable provisions of the said Companies Act together with its amendments from time to time. Please note that this No Objection is conditional and subject to the compliance of the below:

1. You shall promptly, and no later than three (3) business day from the date of receipt of the order of the National Company Law Tribunal sanctioning the Scheme, provide a copy thereof to us, duly certified as true by a 'Key Managerial Personnel' (as defined under the Companies Act, 2013) of the said company.
2. Submission of such other document and carrying out such other acts deeds as may be demanded by BHFL.
3. Execution of appropriate amendatory documents as may be advised by BHFL to give effect to the said change in constitution in order to ensure that the Transferee Company is on the loan structure.

This conditional NOC is issued at your request for the aforementioned purpose only and shall in no way jeopardise BHFL's first charge by way of mortgage over the Secured Property and the hypothecation of the receivables arising out of the Secured Property.

The above is without prejudice to any rights as a Lender in terms of the Loan documents and your obligation with respect to repayment of the Loan.

For and on behalf of Bajaj Finance Limited

Authorised Signatory

BAJAJ FINANCE LIMITED

4th Floor, 271 Business Park, Model Industrial Estate, Off Western Express Highway,
Near Virvani Industrial Estate, Goregoan, Mumbai - 400063, Maharashtra, India
Registered Office: Mumbai - Pune Road, Akurdi, Pune - 411 035, Maharashtra, India
Corporate Office: 4th Floor, Bajaj Finserv Corporate Office, Off Pune-Ahmednagar Road,
Viman Nagar, Pune - 411 014, Maharashtra, INDIA



For Fermenta Biotech Limited

Srikant Sharma
Company Secretary

www.bajajfinserv.in



Date: 21 Dec 2021

To,

Director,
 Fermenta Biotech Limited,
 A -1501, Thane One, DIL Complex, Ghodbunder Road
 Majiwade, Thane (West) 400 610

Dear Sir,

Sub: NO Objection Certificate for amalgamation of DVK Investments Pvt Ltd and Aegean Properties Limited into Fermenta Biotech Limited

With respect to your request dated 07 Dec 2021, we confirm that we do not have any objection for amalgamation of DVK Investments Pvt Ltd (Holding Company) and Aegean Properties Limited (Wholly owned subsidiary) into Fermenta Biotech Limited.

For HDFC Bank Limited

AS Khawar
 Authorised Signatory




For Fermenta Biotech Limited
Srikant Sharma
 Company Secretary

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.

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



To,
The Manager,
Listing Department,
BSE Limited,
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai – 400 001.

Dear Sir,

Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for Composite Scheme of Amalgamation and Arrangement presented under Sections 230 to 232 and other applicable provisions of Companies Act, 2013 (“the Act”) amongst DVK Investments Private Limited (“DVK” or the “Transferor Company 1”) and Aegean Properties Limited (“APL” or the “Transferor Company 2”) and Fermenta Biotech Limited (“FBL” or “Transferee Company”) and their respective Shareholders (“Scheme”).

In connection with the above application, we hereby confirm that there are no past defaults of listed debt obligations of the companies forming part of the Scheme.

For Fermenta Biotech Limited

A handwritten signature in blue ink, appearing to read 'Srikant N. Sharma', is written over the text 'For Fermenta Biotech Limited'.

Srikant N. Sharma**Company Secretary**

Membership No. FCS3617

Date: February 2, 2022

