

The Dharamsi Morarji Chemical Company Limited

CIN: L24110MH1919PLC000564

Registered Office: Prospect Chambers, 317/321, Dr. D N Road, Fort, Mumbai 400001

Tel: +91 2204 8881, Fax: +91 2281 3657

E-mail: dgokhale@dmcc.com

Website: www.dmcc.com

NOTICE OF TRIBUNAL CONVENED MEETING OF THE PREFERENCE SHAREHOLDERS

Day	:	Monday
Date	:	August 28, 2017
Time	:	02:00 PM
Venue	:	Indian Merchants' Chamber, Conference Hall (Walchand Hirachand Hall), IMC Marg, Churchgate, Mumbai 400 020

E-VOTING

Commencing on	:	Saturday, July 29, 2017 at 9:00 AM IST
Ending on	:	Sunday, August 27, 2017 at 5:00 PM IST

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**Before the National Company Law Tribunal Bench at Mumbai
Company Scheme Application No. 730 of 2017**

In the matter of the Companies Act, 2013 (18 of 2013);

AND

In the matter of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013
and Rules framed thereunder as in force from time to time;

AND

In the matter of Scheme of Arrangement between Borax Morarji Limited
("BML" or "the Transferor Company")

AND

The Dharamsi Morarji Chemical Company Limited,
("DMCC" or "the Transferee Company")

AND

Their respective shareholders

The Dharamsi Morarji Chemical Company Limited, a company incorporated under the Companies Act, VII of 1913 having its registered office at Prospect Chambers, 317/321, Dr.D N Road, Fort, Mumbai 400001

Applicant Company

NOTICE CONVENING THE MEETING OF PREFERENCE SHAREHOLDERS OF THE DHARAMSI MORARJI CHEMICAL COMPANY LIMITED, THE APPLICANT COMPANY ("MEETING")

To,

The Preference Shareholder(s) of The Dharamsi Morarji Chemical Company Limited (*"the Applicant Company" or "the Company" or "DMCC" or "the Transferee Company"*)

Notice is hereby given that by an Order dated July 10, 2017, in the abovementioned Company Scheme Application No. 730 of 2017, the Mumbai Bench of the National Company Law Tribunal ("Tribunal") has directed a meeting to be held of the Preference Shareholders of the Company, for the purpose of considering, and if thought fit, approving with or without modification(s), the Scheme of Arrangement between Borax Morarji Limited ("BML" or "the Transferor Company") and The Dharamsi Morarji Chemical Company Limited ("DMCC" or "the Transferee Company") and their respective shareholders ("the Scheme" or "Scheme").

In pursuance of the said Order and as directed therein, further notice is hereby given that a meeting of the Preference Shareholders of the Applicant Company will be held to transact the following special business at Indian Merchants' Chamber, Conference Hall (Walchand Hirachand Hall), IMC Marg, Churchgate, Mumbai 400 020 on Monday, August 28, 2017 at 2:00 PM, at which time and place, the said Preference Shareholders of the Applicant Company are requested to attend, to consider and, if thought fit, approve with or without modification(s), the following Resolution under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 with requisite majority:

"RESOLVED THAT pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Companies Act") and the provisions of the Memorandum and Articles of Association of the Company, and further subject to the consents, approvals and permissions being obtained from the National

Company Law Tribunal and other appropriate authorities to the extent applicable or necessary, the Scheme of Arrangement between Borax Morarji Limited (“BML” or “the Transferor Company”) and The Dharamsi Morarji Chemical Company Limited (“DMCC” or “the Transferee Company”) and their respective shareholders (“Scheme”), be and is hereby approved”.

“**RESOLVED FURTHER THAT** pursuant to provisions of Section 230-232 and other applicable provisions of the Companies Act, 2013, the Reduction of Capital as contemplated in the Scheme of Arrangement between Borax Morarji Limited (“BML” or “the Transferor Company”) and The Dharamsi Morarji Chemical Company Limited (“DMCC” or “the Transferee Company”) and their respective shareholders (“Scheme”), be and is hereby approved”.

“**RESOLVED FURTHER THAT** the Board and Key Managerial Personnel (“KMP”) be and is hereby authorized to do all such acts, deeds, matters and things, as may be considered requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangements 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 National Company Law Tribunal, Mumbai Bench and/or any other authority(ies) 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 doubts or difficulties that may arise in giving effect to the Scheme, as the Board and KMP may deem fit and proper.”

Explanatory Statement under Section 230 read with Section 102 of the Companies Act, 2013 along with copy of the Scheme and other annexures including Proxy Form, Attendance Slip and E-voting Form are enclosed herewith. Copies of the Scheme and Explanatory Statement under Section 230 of the Companies Act, 2013 can be obtained free of charge at the registered office of the Company at Prospect Chambers, 317/321, Dr. D N Road, Fort, Mumbai 400001.

The Tribunal has appointed Mr. Laxmikumar Narottam Goculdas (Director), failing whom Mr. Bimal Lalitsingh Goculdas (CEO), failing whom Ms. Mitika Laxmikumar Goculdas (Director), failing whom Mr. Dilip Trimbak Gokhale (Executive Vice President and Company Secretary) as the Chairperson of the said meeting. The abovementioned Scheme, if approved by the meeting, will be subject to the subsequent approval of the Tribunal.

Persons entitled to attend and vote at the said meeting, may vote in person or by proxy provided that a proxy in the prescribed form, duly signed by you or your authorised signatory, is deposited at the registered office of the Company at Prospect Chambers, 317/321, Dr. D N Road, Fort, Mumbai 400001, not later than 48 hours before the meeting. Forms of proxy can be had at the registered office of the Applicant Company.

In accordance with the applicable regulatory provisions, as an alternative to casting of votes on Poll at the meeting, the Company has provided the Preference Shareholders with the facility for casting their votes by way of remote e-voting using facility offered by Central Depository Services (India) Limited (CDSL). The voting rights of Preference Shareholders shall be in proportion to their Preference Shareholding in the Company as on the cut-off date of close of business on July 14, 2017. The shareholders may refer to Notes to this notice for further details on remote E-voting.

It is clarified that casting of votes by remote e-voting does not disentitle a Shareholder as on the cut-off date of July 14, 2017 from attending the Meeting. It is further clarified that the Proxies can only vote on Poll at the meeting and not through any other mode.

Mr. Laxmikumar Narottam Goculdas
Chairperson appointed for the meeting

Place: Mumbai
Date: July 20, 2017

Registered Office:
The Dharamsi Morarji Chemical Company Limited
Prospect Chambers, 317-321,
Dr D N Road, Mumbai 400001
CIN - L24110MH1919PLC000564

Notes:

- (1) This Notice is being sent to the Preference Shareholders whose name appear in the Register of Members / Record of Depositories as at the close of business on July 14, 2017 in physical mode to all the shareholders at their registered address. This Notice may also be accessed on Company's Website www.dmcc.com.
- (2) A Preference Shareholder of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member of the Company. The Proxy Form duly completed should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. A person can act as proxy on behalf of shareholders not exceeding fifty (50) in number and / or holding in aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by shareholder(s) holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
- (3) Only registered Preference shareholders of the Company may attend and vote (either in person or by proxy or by authorised representative under Section 112 and 113 of the Companies Act, 2013) at the Preference Shareholder's meeting. The authorised representative of a body corporate which is a registered Preference shareholder of the Company may attend and vote at the meeting, provided a certified true copy of the resolution of the board of directors or other governing body of the body corporate is deposited at the registered office of the Company not later than 48 hours before the meeting authorising such representative to attend and vote at the Preference shareholders' meeting.
- (4) Registered Preference shareholders are informed that in case of joint holders attending the meeting, only such joint holder whose name stands first in the Register of Members of the Company in respect of such joint holding will be entitled to vote.
- (5) All alterations made in the proxy form should be initialed.
- (6) Shareholders are requested to handover the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with their respective Depositories or with Applicant Company for admission to the meeting hall.
- (7) In compliance with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, the Company has provided the facility to the Shareholders to cast their votes through remote e-voting facility arranged by CDSL, prior to the meeting.
- (8) Shareholders whose names appear on the Register of Members / Record of Depositories as at the close of business on July 14, 2017 ("cut-off date") will be considered for the purpose of voting and voting rights shall be reckoned based on the Preference shareholding as on July 14, 2017. The voting rights of members shall be in proportion to their shares in the paid-up Preference share capital of the Company as on cut-off date.
- (9) The voting period for remote e-voting shall commence on and from Saturday, July 29, 2017 at 9:00 AM IST and end on Sunday, August 27, 2017 at 5:00 PM IST.
- (10) The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- (11) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the meeting. Any person who acquires shares of the Company and becomes the member of the Company after the cut-off date i.e. July 14, 2017, shall not be eligible to vote through remote e-voting or at the Meeting. Any recipient of this notice who has no voting rights as on the cut-off date should treat the same as intimation only.
- (12) It is clarified that votes may be cast by Shareholders by E-voting and casting of votes by remote E-voting does not disentitle them from attending the Meeting. Shareholder after exercising her/his right to vote through E-voting shall not be allowed to vote on Poll again at the Meeting.

- (13) As directed by Hon'ble Tribunal, Mr. Jatin Popat, Partner at JSP Associates shall act as the Scrutinizer to scrutinize votes cast electronically or on Poll at the Meeting and submitting a report on votes cast to the Chairperson of the Meeting within 48 hours from the conclusion of the meeting.
- (14) The results of the voting shall be announced by the Chairperson, upon receipt of the Scrutinizer's Report and same shall be placed on the Company's website www.dmcc.com and on the website of CDSL at www.cdslindia.com, within two days of the passing of the resolution at the Meeting on August 28, 2017.
- (15) The documents referred to in the accompanying Explanatory Statement shall be open for inspection by the Preference Shareholders at the Registered Office of the Applicant Company upto 1 (one) day prior to the date of the meeting between 11:00 A.M. IST and 2:00 P.M. IST on all working days, except Saturdays, Sundays and Public Holidays.
- (16) The Members shall refer to detailed procedure on remote e-voting in the remote e-voting instruction slip.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Saturday, July 29, 2017 at 9.00 a.m. IST and ends on Sunday, August 27, 2017 at 5.00 p.m. IST. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL

platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant The Dharamsi Morarji Chemical Company Limited on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

**Before the National Company Law Tribunal Bench at Mumbai
Company Scheme Application No. 730 of 2017**

In the matter of the Companies Act, 2013 (18 of 2013);

AND

In the matter of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013
and Rules framed thereunder as in force from time to time;

AND

In the matter of Scheme of Arrangement between Borax Morarji Limited
("BML" or "the Transferor Company")

AND

The Dharamsi Morarji Chemical Company Limited,
("DMCC" or "the Transferee Company")

AND

Their respective shareholders

The Dharamsi Morarji Chemical Company Limited, a company incorporated under the Companies Act, VII of 1913 having its registered office at Prospect Chambers, 317/321, Dr.D N Road, Fort, Mumbai 400001

Applicant Company

EXPLANATORY STATEMENT UNDER SECTION 230 READ WITH SECTION 102 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 FOR THE MEETING OF THE PREFERENCE SHAREHOLDERS OF THE DHARAMSI MORARJI CHEMICAL COMPANY LIMITED DIRECTED TO BE CONVENED BY MUMBAI BENCH OF HON'BLE NATIONAL COMPANY LAW TRIBUNAL

Details of the Companies or Parties involved in the Scheme:

- a) **The Dharamsi Morarji Chemical Company Limited** - referred to as "the Applicant Company" or "the Company" or "DMCC" or "the Transferee Company" ; and
 - b) **Borax Morarji Limited** - referred to as "BML" or "the Transferor Company";
The Scheme of Arrangement between the above Companies and their respective shareholders is referred to as "the Scheme" or "this Scheme" or "Scheme" and the above Companies together are referred to as "the Applicant Companies". Other definitions contained in the enclosed Scheme will apply to this Statement.
1. This is a Statement accompanying the Notice convening the meeting of the Preference Shareholders of the Applicant Company.
 2. Pursuant to an Order dated Monday, July 10, 2017 passed by the Mumbai Bench of the National Company Law Tribunal ("Tribunal") in the Company Scheme Application No. 730 of 2017 referred to hereinabove, a meeting of the Preference Shareholders of the Company is being convened and held at Indian Merchants' Chamber, Conference Hall (Walchand Hirachand Hall), IMC Marg, Churchgate, Mumbai 400 020 on Monday, August 28, 2017 at 2:00 PM , for the purpose of considering and, if thought fit, approving with or without modification(s), the arrangement embodied in the Scheme of Arrangement between Borax Morarji Limited ("BML" or "the Transferor Company") and The Dharamsi Morarji Chemical Company Limited ("DMCC" or "the Transferee Company") and their respective shareholders ("Scheme").
 3. In addition to the Tribunal Convened Meeting of the Preference Shareholders of the Applicant Company, approval of the Preference Shareholders of the Applicant Company is also sought by way of remote

e-Voting facility arranged by CDSL in compliance with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014.

4. A copy of the Scheme setting out in detail the terms and conditions of the arrangement has been approved by the board of directors of BML and DMCC at their respective board meetings held on March 2, 2017, is attached to this Explanatory Statement and forms part of this Statement.

5. **Details of the Companies:**

Borax Morarji Limited

(a) Borax Morarji Limited, (“BML” or “the Transferor Company”), was originally incorporated as a public limited company under the name and style of “Borax Morarji Limited” on August 27, 1963 under the Companies Act, 1956 vide Corporate Identity Number L24100MH1963PLC012706 with having its registered office at Prospect Chambers, 317-321, Dr D N Road, Mumbai 400001, Maharashtra

(b) The objects for which BML has been established are set out in its Memorandum of Association. The main objects of BML are set out hereunder :

1. *To carry on the business as manufacturers, producers, importers, exporters, merchants, distributors, commission agents, and brokers of, and wholesale and retail dealers in Borax and Boric Acid, their derivatives, by-products and compounds, and other heavy chemicals and fine chemicals, and of and in all kinds of chemicals, chemical preparations or substances industrial, agricultural, medicinal, pharmaceutical, toilet or otherwise, and allied and auxiliary products and intermediates thereof.*
2. *To manufacture, produce, import, export, buy, sell, and deal in acids, alkalies, oleum and all residual products resulting from the manufacture or use of such acids and alkalies.*
3. *To carry on the business as manufacturers, producers, importers, exporters, merchants, distributors, commission agents, brokers of and wholesale and retail dealers in paints, pigments, varnishes, lacquers, plastics, paper, rubber goods, artificial leather, soap, cosmetics, metals and alloys.*
4. *To carry on the business of chemists, analytical chemists, metallurgists, oil and colourmen, dye makers, gas makers, and makers of and dealers in proprietary articles of all kinds including chemical materials and apparatus.*

(c) BML is presently engaged in the business of manufacturing and dealing in Borax and Boric Acid and their derivatives.

(d) The equity shares of BML are listed on BSE Limited in India.

(e) Capital Structure - The authorized, issued, subscribed and paid-up share capital of BML as on March 31, 2017 is as under:

Particulars	Amount (in Rs.)
Authorized share capital	
10,000,000 equity shares of Rs.10/- each	100,000,000
10,000,000 preference shares of Rs.10/- each	100,000,000
TOTAL	200,000,000
Issued, subscribed and paid-up share capital	
4,519,698 equity shares of Rs.10/- each fully paid up	45,196,980
9,000,000 8% Cumulative Non-convertible Preference Shares of Rs.10/- each fully paid up	90,000,000
TOTAL	135,196,980

Subsequent to 31st March, 2017 there has been no change in the issued, subscribed and paid up share capital of BML.

- (f) The details of the promoters and present directors of BML along with their addresses are as follows:

Sr. No.	Name	Address
Promoters		
1.	Lalit N. Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai - 400 007.
2.	Radha L. Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai - 400 007.
3.	Ranchoddas Mathradas Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai - 400 007.
4.	Sonali B. Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai - 400 007.
5.	Bimal L. Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai - 400 007.
6.	Jasraj Trading Company	53/57, Laxmi Insurance Building, Sir P.M. Road, Fort, Mumbai 400 001
7.	Phoenix Distributors Pvt Ltd	53/57, Laxmi Insurance Building, Sir P.M. Road, Fort, Mumbai 400 001
8.	The Natural Gas Company Pvt Ltd	53/57, Laxmi Insurance Building, Sir P.M. Road, Fort, Mumbai 400 001
9.	Bharti Laxmikumar Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai - 400 007.
10	Laxmikumar Narottam Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai - 400 007.
Directors		
1.	Laxmikumar Narottam Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai - 400 007
2.	Bimal Lalitsingh Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai - 400 007.
3.	Mitika Laxmikumar Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai - 400 007
4.	Sanjeev Vishwanath Joshi	602, Shivkripa CHS, Nanda Parkar Marg, Vileparle - East, Mumbai 400 057.
5.	Arvind W Ketkar	4, Saukhya, Opp. BMC Hospital, V.N. Purav Marg, Chunabhatti, Mumbai 400042
6.	Dilip Trimbak Gokhale	6, Parvati Niwas, Veer Savarkar Road, Dombivali (East) - 421 201

The Dharamsi Morarji Chemical Company Limited

- (a) The Dharamsi Morarji Chemical Company Limited, (“DMCC” or “the Transferee Company”), was originally incorporated as a public limited company under the name and style of “The Dharamsi Morarji Chemical Company Limited” on September 25, 1919 vide Corporate Identity Number L24110MH1919PLC000564 under the Indian Companies Act, VII of 1913 and having its registered office at Prospect Chambers, 317/321, D N Road, Fort, Mumbai 400001
- (b) The objects for which DMCC has been established are set out in its Memorandum of Association. The main objects of DMCC are set out hereunder :

1. *To carry the trade or business of manufacture of acids, salts, tannin extracts, chemical, industrial and other preparations and articles, compounds, oils, paints, pigments and varnishes, drug, dyeware paint or other substances or things and to purchase, manufacture, sell and generally deal in all materials, substances and things required for or incidental to the manufacture, preparation, adaption or use of acids, salts, chemicals and other preparations and articles.*
 - (1A) *To carry on the business of manufacturing of, dealers and workers in, sellers, Importers and exporters of cement of all types, lime, plasters, clay, granules, sand, artificial stone and all kinds and products or things which may be manufactures out or with cement or in which the use of cement may be made.*
 - (1B) *To manufacture, buy, sell, refine, manipulate, import, export or otherwise deal in all kinds of disinfectants, insecticides, fungicides, manures, sprayers, as also protectives and preservatives and to investigate all means, devices, inventions and improvements tending to increase the use of fertilizers and manures and advance the interests of agriculture and the fertilizer industry.*
 - (1C) *To carry on business of hiring out computer time and also providing punching and programming services termed 'software' by methods of system analysis or other similar methods and by the use and employment of computer and other electronic devices involving technical data compilation and processing and sale thereof.*
 - (1D) *To carry on the business of shipowners and to purchase, charter, hire ships or vessels.*
 - (1E) *To carry on the business of leasing and hire purchase finance Company and to provide on lease or on hire purchase all types of industrial and office plant, equipment, machinery, vehicles and buildings*
 - (1F) *To carry on the business of manufacture of equipments including equipment for energy saving and pollution control, components, accessories, apparatus and parts thereof required for industries in general and the chemical and fertilizer industry in particular.*
- (c) DMCC is primarily engaged in the business of manufacture of acids, salts, tannin extracts, chemical, pigments, industrial and other preparations and articles, compounds, oils, paints, pigments and varnishes, drug, dyeware paint and others.
- (d) The equity shares of DMCC are listed on BSE Limited in India.
- (e) Capital Structure of the Company - The authorized, issued, subscribed and paid-up share capital of DMCC as on 31st March, 2017 is as under:

Particulars	Amount (in Rs.)
Authorized share capital	
30,000,000 equity shares of Rs.10/- each	300,000,000
1,000,000 preference shares of Rs.100/- each	100,000,000
TOTAL	400,000,000
Issued, subscribed and paid-up share capital	
21,846,751 equity shares of Rs.10/- each	218,467,510
280,000 preference shares of Rs.100/- each	28,000,000
TOTAL	246,467,510

Subsequent to 31st March, 2017 there has been no change in the issued, subscribed and paid up share capital of DMCC.

- (f) The details of the promoter and present directors of DMCC along with their addresses are as follows:

Sr. No.	Name	Address
Promoter		
1.	Lalit N. Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai - 400 007.
2.	Harisingh Narottamdas Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai - 400 007.
3.	Radha L. Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai - 400 007.
4.	Ranchoddas Mathradas Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai - 400 007.
5.	Sonali B. Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai - 400 007.
6.	Mulraj Dwarkadas Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai - 400 007.
7.	Bimal L. Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai - 400 007.
8.	Kosan Industries Pvt Ltd	53/57, Laxmi Insurance Building, Sir P.M. Road, Fort, Mumbai 400 001
9.	Jasraj Trading Company	53/57, Laxmi Insurance Building, Sir P.M. Road, Fort, Mumbai 400 001
10.	L. P. Gas Equipment Pvt Ltd	53/57, Laxmi Insurance Building, Sir P.M. Road, Fort, Mumbai 400 001
11.	Phoenix Distributors Pvt Ltd	53/57, Laxmi Insurance Building, Sir P.M. Road, Fort, Mumbai 400 001
12.	The Natural Gas Company Pvt Ltd	53/57, Laxmi Insurance Building, Sir P.M. Road, Fort, Mumbai 400 001
13.	Bharti Laxmikumar Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai - 400 007.
14.	Laxmikumar Narottam Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai - 400 007.
Directors		
1.	Laxmikumar Narottam Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai - 400 007
2.	Haridas Tricumdas Kapadia	Shree Satyam CHS Ltd., Shivaji Road, Sai Section, Ambarnath, 421501
3.	Madhu Thakorlal Ankleshwaria	7, Gocul Niwas, Bajaj Road, Vile Parle (West) Mumbai 400 056.
4.	Arvind W Ketkar	4, Saukhya, Opp. BMC Hospital, V.N. Purav Marg, Chunabhatti, Mumbai 400042
5.	Mitika Laxmikumar Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai - 400 007

6. Relationship subsisting between the Companies who are Parties to the Scheme

Both BML and DMCC belong to a common group of promoters. Also, the companies have common directors in their respective board.

7. At the respective meetings held on March 2, 2017 the Board of Directors of BML and DMCC had unanimously approved the proposed Scheme of Arrangement, after taking on record the Valuation report dated March 2, 2017 issued by SSPA & Co, Chartered Accountants an independent valuer.
8. Names of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution are as under:

(i) BML

Name of the Directors of BML present in the Meeting	Voted in Favour/ Against/ Abstain from voting
Laxmikumar Narottam Goculdas	In favour
Bimal Lalitsingh Goculdas	In favour
Mitika Laxmikumar Goculdas	In favour
Sanjeev Vishwanath Joshi	In favour
Arvind W Ketkar	In favour
Dilip Trimbak Gokhale	In favour

(ii) DMCC

Name of the Directors of DMCC present in the Meeting	Voted in Favour/ Against/ Abstain from voting
Laxmikumar Narottam Goculdas	In favour
Haridas Tricumdas Kapadia	In favour
Madhu Thakorlal Ankleshwaria	In favour
Arvind W Ketkar	In favour
Mitika Laxmikumar Goculdas	In favour

9. **Rationale and Benefits of the Scheme**

- 9.1 Currently, the Transferor Company is, inter alia, engaged in the business of manufacturing and dealing in Borax and Boric Acid. The Transferee Company is primarily engaged in the business of manufacture of acids, salts, tannin extracts, chemical, pigments, industrial and other preparations and articles, compounds, oils, paints, pigments and varnishes, drug, dyeware paint and others.
- 9.2 The proposed amalgamation would enable the Transferee Company to focus and create a more competitive business both in scale and operations. The Transferee Company would develop long-term corporate strategies and financial policies with respect to the combined business and harness synergies on consolidation of business, thus enabling better management and accelerated growth of the Transferor Company.
- 9.3 The proposed amalgamation and restructuring would result in the following benefits:
- Operational rationalization, organizational efficiency and optimal utilization of various resources due to pooling of management, administrative and technical skills of various resources of both the companies, better administration, and cost reduction, including reduction in managerial, administrative and other common costs;
 - Focused attention approach on the businesses and better alignment, coordination and streamlining of day to day operations of both the companies, leading to improvement in overall working culture and environment;
 - Creation of value for various stakeholders and shareholders of both the companies, as a result of all of the foregoing; and
 - Greater administrative efficiency

10. **Key salient features of the scheme:**

- a) "Appointed Date" means 1st April, 2016 or such other date as the Board of Directors of the Transferor Company or the Transferee Company or as the Tribunal may direct ;
- b) "Effective Date" means the last of the dates on which the certified copies of the Order of the Tribunal sanctioning the Scheme of Arrangement is filed with the Registrar of Companies by the Transferor and Transferee Company;
- c) Transfer and Vesting of Business of the Transferor company into the Transferee company

Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Transferor Company together with all the respective properties, assets, investments, liabilities, rights, benefits, interests, title or power of every kind, nature, description and obligations therein shall, pursuant to the provisions of Section 230 to 232 of the Act and in accordance with Section 2(1B) of the Income-tax Act, 1961, without any further act, deed, matter or thing, be and stand merged and transferred to and vested in and shall be deemed to be transferred to and vested in the Transferee Company on a going concern basis in the manner described hereunder, and shall become the property of and an integral part of the Transferee Company.

Consideration:

Upon the coming into effect of this Scheme and in consideration for the transfer of and vesting of the assets and liabilities of the Transferor Company into the Transferee Company pursuant to merger, the Transferee Company shall issue and allot at fair values, credited as fully paid up, to the members of the Transferor Company or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Transferor Company and approved by them whose names appear in the Register of Members on the Record Date as under:

"1 ("One") Equity Share in Transferee Company of INR 10 ("Indian Rupees Ten") each fully paid up for every 2 ("Two") fully paid up equity shares of INR 10 ("Indian Rupees Ten") each in the Transferor Company".

"10 ("Ten") Equity Shares in Transferee Company of INR 10 ("Indian Rupees Ten") each fully paid up for every 108 ("One Hundred and Eight") fully paid up Preference shares of INR 10 ("Indian Rupees Ten") each in the Transferor Company".

On the scheme becoming effective, the accumulated losses and the deferred tax assets as on the Appointed Date in the books of the Transferee Company (DMCC) shall be adjusted against the Capital Reserve (not exceeding Rs.33.63 Crores) and balance against the amount lying in Securities Premium Account.

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 key provisions of the Scheme.

11. **Summary of Valuation Report including basis of valuation**

- (i) Summary of Valuation Report obtained from SSPA & Co, Chartered Accountants, an independent valuer:
 - (a) The valuations have been arrived at based on the various methodologies explained in the Report and various qualitative factors relevant to the business and the business dynamics and growth potentials of the business, having regard to information base, key underlying assumptions and limitations. Comparable Companies Multiple Method, Discounted Cash Flow Method and the Market Price Method were used to determine the value of both the entities. Equal weights were given to each of the method to arrive at relative value of DMCC and BML.
 - (b) The valuation report states that a fair ratio of exchange in the event of amalgamation of BML with DMCC would be as under:

For Equity Shareholders of BML:

- 1 (One) equity share of DMCC of INR 10 each fully paid up for every 2 (Two) equity shares of BML of INR 10 each fully paid up.

For Preference Shareholders of BML:

- 10 (Ten) equity shares of DMCC of INR 10 each fully paid up for every 108 (One Hundred and Eight) 8% Cumulative non-convertible preference shares of BML of INR 10 each fully paid up.

(ii) The valuation report is attached to the notice for your reference.

12. Fairness Opinion has been obtained from M/s. V.B. Desai Financial Services Limited, Merchant Banker, stating that the share exchange ratio mentioned in the valuation report issued by SSPA & Co, Chartered Accountants is fair.
13. Statutory Auditors of DMCC, K.S. Aiyar & Co, Chartered Accountants had vide certificate dated March 1, 2017 confirmed that the accounting treatment proposed in the Scheme for DMCC is in accordance with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013.
14. **Amounts due to Unsecured Creditors (provisional) as on March 31, 2017**

Particulars of amounts due to Unsecured Creditors for respective Company's involved in the Scheme as at March 31, 2017 is detailed herein:

Name of the Applicant Companies	Rs. In Crs.
DMCC	17,41,06,303
BML	38,33,04,544

15. **Effect of the Scheme on various parties**

- a) **Directors & Key Managerial Personnel (KMPs)** - The Directors or KMPs or their relatives of the respective Companies involved in the Scheme do not have any other interest in the Scheme otherwise than that as shareholders in any of Applicant Companies involved in the Scheme. Further, none of the directors, key managerial personnel and/or relatives of the directors / KMPs of the respective Companies is concerned or interested, financially or otherwise, in the proposed Scheme. Save as aforesaid, none of the Directors and KMPs of the respective Companies have any material interest in the proposed Scheme. The effect of the Scheme on interests of the Directors or KMPs or their relatives, is not any different from the effect of the Scheme on like interests of other persons.

Details of the present Directors and Key Managerial Personnel (KMPs) and their respective equity shareholding as on date in other Applicant Companies are as follows:

DMCC:

Sr. No.	Name of the Directors and KMPs of DMCC	Shares held in DMCC	Shares held in BML
Directors			
		Equity Shares	Equity Shares
1.	Laxmikumar Narottam Goculdas	78,21,089	3,71,093
2.	Haridas Tricumdas Kapadia	6,348	9519
3.	Madhu Thakorlal Ankleshwaria	-	450
4.	Arvind W Ketkar	324	-
5.	Mitika Laxmikumar Goculdas	-	-
		Preference Shares	Preference Shares
1.	Laxmikumar Narottam Goculdas	-	90,00,000

KMP's			
		Equity Shares	Equity Shares
1.	Bimal Lalitsingh Goculdas	36,476	1,21,448
2.	D.T. Gokhale	150	-
3.	D.K. Sundaram	-	-

BML:

Sr. No.	Name of the Directors KMP of BML	Shares held in DMCC	Shares held in BML
Directors			
		Equity Shares	Equity Shares
1.	Laxmikumar Narottam Goculdas	78,21,089	3,71,093
2.	Bimal Lalitsingh Goculdas	36,476	1,21,448
3.	Mitika Laxmikumar Goculdas	-	-
4.	Sanjeev Vishwanath Joshi	4,137	527
5.	Arvind W Ketkar	324	-
6.	Dilip Trimbak Gokhale	150	-
		Preference Shares	Preference Shares
1.	Laxmikumar Narottam Goculdas	-	90,00,000
KMP's			
		Equity Shares	Equity Shares
1.	Dr. U.R. Shetkar	-	-
2.	Dilip S. Nagle	-	-
3.	S.R. Mohite	-	-

- b) **Promoter and Non-Promoter Equity and Preference Shareholders of DMCC and BML** - The Scheme provides that the equity shareholders and preference shareholders of BML shall be issued equity shares in DMCC. The swap ratio for shares is based on an independent valuation exercise carried on by SSPA & Co, Chartered Accountants after considering the valuation of the business of BML.

Thus, the rights and interest of the Promoters and Non-Promoter Shareholders of the Companies will not be prejudicially affected by the Scheme.

The pre and post (expected) Scheme shareholding patterns of the companies involved in the Scheme as on December 31, 2016 is as follows:

BML

Equity Shareholding:

Sr No	Name of the Shareholder	Pre-Scheme shareholding of BML		Post-Scheme shareholding of BML	
		Number of shares	%	Number of shares	%
Promoter Group					
1.	Bharti Laxmikumar Goculdas	3,35,050	7.4131	N.A	N.A
2.	Bimal L Goculdas	1,21,448	2.6871	N.A	N.A

Sr No	Name of the Shareholder	Pre-Scheme shareholding of BML		Post-Scheme shareholding of BML	
		Number of shares	%	Number of shares	%
3.	Ranchoddas Mathradas Goculdas	65,742	1.4546	N.A	N.A
4.	Sonali B Goculdas	20,360	0.4505	N.A	N.A
5.	Lalit N Goculdas	2,012	0.0445	N.A	N.A
6.	Radha L Goculdas	100	0.0022	N.A	N.A
7.	Jasraj Trading Company	18,51,915	40.9743	N.A	N.A
8.	Phoenix Distributors Pvt Ltd	1,00,770	2.2296	N.A	N.A
9.	The Natural Gas Co Pvt Ltd	200	0.0044	N.A	N.A
10.	Laxmikumar Narottam Goculdas	3,71,093	8.2106	N.A	N.A
	Public				
1.	Other Public	16,51,008	36.5292	N.A	N.A
	Total	45,19,698	100.00%		

Preference Share Capital:

8% Cumulative Non-convertible Preference Shares of Rs.10/- each fully paid up

Sr. No.	Name of the Shareholder	Pre-Scheme shareholding of BML		Post-Scheme shareholding of BML	
		No. of shares	%	No. of shares	%
1.	Laxmikumar Narottam Goculdas	90,00,000	100	N.A	N.A
	Total	90,00,000	100.00	N.A	N.A

Note: Pursuant to scheme BML shall stand dissolved and therefore entire share capital of BML shall be cancelled.

DMCC

Equity Capital:

Sr. No.	Name of the Shareholder	Pre-Scheme shareholding of DMCC		Post-Scheme shareholding of DMCC (Expected)	
		No. of shares	%	No. of shares	%
1.	Bimal L Goculdas	36,476	0.17	97,200	0.39
2.	Mulraj Dwarkadas Goculdas	33,813	0.15	33,813	0.14
3.	Sonali B. Goculdas	33,808	0.15	43,998	0.18
4.	Ranchoddas Mathradas Goculdas	39,537	0.18	72,409	0.29
5.	Radha L. Goculdas	3,678	0.02	3,728	0.01
6.	Harisingh Narottamdas Goculdas	2,828	0.01	2,828	0.01
7.	Lalit N. Goculdas	2,121	0.01	3,127	0.01
8.	The Natural Gas Co Pvt Ltd	1,080,122	4.94	1,080,222	4.33
9.	Phoenix Distributors Pvt Ltd	1,024,760	4.69	1,075,145	4.31
10.	L. P. Gas Equipment Pvt Ltd	456,000	2.09	456,000	1.83
11.	Jasraj Trading Company	124,849	0.57	1,050,806	4.21
12.	Kosan Industries Pvt Ltd	3,000	0.01	3,000	0.01

13.	Laxmikumar Narottam Goculdas	7,821,089	35.8	8,839,968	35.45
14.	Bharti Laxmikumar Goculdas	286,620	1.31	454,145	1.82
	Public				
1.	Other Public	1,08,98,050	49.88	11723551	47.01
	Total	21,846,751	100	24,939,929	100

Preference Share Capital: Preference Shares of Rs. 100 each

Sr. No.	Name of the Shareholder	Pre-Scheme shareholding of DMCC		Post-Scheme shareholding of DMCC (Expected)	
		No. of shares	%	No. of shares	%
1.	DMCC Employees Welfare Trust	280,000	100	280,000	100
	Total	280,000	100.00%	280,000	100.00%

Note: The above shareholding pattern is prepared based on shareholding of BML as on December 31, 2016. However, the shares would be issued by DMCC to shareholders of BML on the record date, which would be decided by the Board of Directors of both companies at a later point of time. The post-scheme shareholding pattern may change in respect of the change in shareholding of BML as on the Record Date.

- c) **Creditors** - The rights and interest of the respective creditors of Companies involved in the Scheme will not be prejudicially affected by the Scheme as post Scheme, the Transferee Company shall meet the liabilities as they arise in the ordinary course of business. Further there is no Compromise and/or Arrangement with the Creditors since no sacrifice or waiver is, at all, called from them their terms or rights are not sought to be modified in any manner.
- d) Employees of the Transferor Company - On the Scheme becoming effective, all staff and employees of the Transferor Company, in service on the Effective Date shall be deemed to have become staff and employees of the Transferee Company without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee Company shall not be less favourable than those applicable to them with reference to their employment in the Transferor Company.

9. Capital Structure Pre And Post Scheme

Pre and Post Scheme Capital structure of all the Companies involved in the Scheme will be as under:

BML

Particulars	Pre-Scheme		Post-Scheme	
	No. of Shares	Rs. in crores	No. of Shares	Rs. in crores
Authorised Share Capital:				
Equity shares of Rs.10/- each	10,000,000	10	N.A	N.A
Preference shares of Rs.10/- each	10,000,000	10	N.A	N.A
Total		20		
Issued, Subscribed and Paid Up Share Capital:				
Equity shares of Rs.10/- each fully paid up	4,519,698	4.52	N.A	N.A

8% Cumulative Non-convertible Preference Shares of Rs.10/- each fully paid up	9,000,000	9	N.A	N.A
Total	13,519,698	13.52		

Note: Pursuant to scheme BML shall stand dissolved and therefore entire share capital of BML shall be cancelled.

DMCC

Particulars	Pre-Scheme		Post- Scheme (Expected)	
	No. of Shares	Rs. in crores	No. of Shares	Rs. in crores
Authorised Share Capital:				
Equity shares of Rs.10/- each	30,000,000	30	40,000,000	40
Preference shares of Rs.100/- each	1,000,000	10	2,000,000	20
Total		40		60
Issued, Subscribed & Paid Up Share Capital:				
Equity shares of Rs.10/- each	21,846,751	21.8	24,939,929	24.9
Preference shares of Rs.100/- each	280,000	2.8	280,000	2.8
Total		24.6		27.7

Note: The above shareholding pattern is prepared based on shareholding of BML as on December 31, 2016. However, the shares would be issued by DMCC to shareholders of BML on the record date, which would be decided by the Board of Directors of both companies at a later point of time. The post-scheme shareholding pattern may change in respect of the change in shareholding of BML as on the Record Date.

10. The copy of draft scheme has been filed with the Registrar of Companies.
11. No investigation proceedings have been instituted or are pending under applicable provisions of Companies Act, 2013 or erstwhile provisions of Companies Act, 1956 against DMCC.
12. No winding up petition has been admitted against DMCC.
13. On the Scheme being approved by the requisite majority of the shareholders of the respective Companies involved in the Scheme as per the requirement of Section 230 of the Companies Act, 2013, both the Companies will file a petition with the Tribunal at Mumbai for sanction of the Scheme.
14. The following documents will be open for inspection by the Preference shareholders of DMCC up to 1 (one) day prior to the date of the meeting at its registered office between 11:00 A.M. IST and 2:00 P.M. IST on all working days, except Saturdays, Sundays and Public Holidays:
 - (i) Copy of the Order dated July 10, 2017 of the Tribunal at Mumbai passed in Company Scheme Application No. 730 of 2017 directing the convening of the meeting of the Preference Shareholders of DMCC;
 - (ii) Copy of the Company Scheme Application No- 730 of 2017;
 - (iii) Scheme of Arrangement;
 - (iv) Memorandum and Articles of Association of BML and DMCC;
 - (v) Annual Report of BML and DMCC for the financial year ended March 31, 2016;

- (vi) Copies of the report on the Share Entitlement for amalgamation dated March 2, 2017 issued by M/s SSPA & Co, Chartered Accountants, an independent valuer;
- (vii) Certificates issued by respective Statutory Auditors of BML and DMCC in relation to the accounting treatment prescribed in the Scheme is in compliance with the Accounting Standards;
- (viii) Copies of the Complaints Report submitted to BSE Limited and also uploaded on the Company's website.
- (ix) Copy of Observation letter issued by BSE Limited
- (x) Register of Director's Shareholdings of BML and DMCC.
- (xi) Such other documents or information as considered relevant by management for making a decision for or against the Scheme

This statement may be treated as an Explanatory Statement under Sections 230 to 232 of the Companies Act, 2013.

A copy of the Scheme, Explanatory Statement and Proxy Form may be obtained from the Registered Office of DMCC situated at Prospect Chambers, 317-321, Dr D N Road, Mumbai 400001 or/ and at the office of advocate Hemant Sethi & Co Advocates situated at 309 New Bake House, Maharashtra Chamber of Commerce Lane, Kala Ghoda, Fort, Mumbai 400023.

Mr. Laxmikumar Narottam Goculdas
Chairperson appointed for the meeting

Place: Mumbai
Date: July 20, 2017

Registered Office:

The Dharamsi Morarji Chemical Company Limited
Prospect Chambers, 317-321,
Dr D N Road, Mumbai 400001
CIN - L24110MH1919PLC000564

**SCHEME OF ARRANGEMENT
BETWEEN
BORAX MORARJI LIMITED
(AS THE TRANSFEROR COMPANY)
AND
THE DHARAMSI MORARJI CHEMICAL COMPANY LIMITED
(AS THE TRANSFEREE COMPANY)
AND
THEIR RESPECTIVE SHAREHOLDERS AND ALL CONCERNED**

**UNDER SECTION 230 TO 232 READ WITH SECTION 52 OF THE COMPANIES ACT, 2013 AND OTHER
APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND RULES FRAMED THEREUNDER**

(A) PREAMBLE

This Scheme of Arrangement (“Scheme”) is presented under Section 230 to 232 read with Section 52 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder, for amalgamation of Borax Morarji Limited (“**BML**” or “**the Transferor Company**”) into The Dharamsi Morarji Chemical Company Limited (“**DMCC**” or “**the Transferee Company**”) on a going concern basis, and matters incidental thereto

(B) Parts of the Scheme

This Scheme of Arrangement is divided into the following parts:

- Part I** Deals with preliminary of the Scheme, definitions of the terms used in this Scheme, objects and rationale of the Scheme and share capital
- Part II** Deals with amalgamation of the Transferor Company into the Transferee Company; and
- Part III** Deals with General Clauses, Terms and Conditions

PART I – PRELIMINARY, DEFINATIONS AND INTEPRETATIONS

1. PRELIMINARY

- 1.1 Borax Morarji Limited, (“BML” or “the Transferor Company”),** was originally incorporated as a public limited company under the name and style of “Borax Morarji Limited” on August 27, 1963 under the Companies Act, 1956 vide Corporate Identity Number L24100MH1963PLC012706 with having its registered office at Prospect Chambers, 317-321, Dr D N Road, Mumbai 400001, Maharashtra

The Dharamsi Morarji Chemical Company Limited, (“DMCC” or “the Transferee Company”), was originally incorporated as a public limited company under the name and style of “The Dharamsi Morarji Chemical Company Limited” on September 25, 1919 vide Corporate Identity Number L24110MH1919PLC000564 under the Indian Companies Act, VII of 1913 and having its registered office at Prospect Chambers, 317/21, D N Road, Fort, Mumbai 400001.

- 1.2** The Transferor Company is primarily engaged in the business of manufacturing and dealing in Borax and Boric Acid. The main objects are set out in the Memorandum of Association. Some of them are as under:

A. THE MAIN OBJECTS OF THE COMPANY TO BE PURSUED ON ITS INCORPORATION:

1. *To carry on the business as manufacturers, producers, importers, exporters, merchants,*

distributors, commission agents, and brokers of, and wholesale and retail dealers in Borax and Boric Acid, their derivatives, by-products and compounds, and other heavy chemicals and fine chemicals, and of and in all kinds of chemicals, chemical preparations or substances industrial, agricultural, medicinal, pharmaceutical, toilet or otherwise, and allied and auxiliary products and intermediates thereof.

2. *To manufacture, produce, import, export, buy, sell, and deal in acids, alkalies, oleum and all residual products resulting from the manufacture or use of such acids and alkalies.*
 3. *To carry on the business manufacturers, producers, importers, exporters, merchants, distributors, commission agents, brokers of and wholesale and retail dealers in paints, pigments, varnishes, lacquers, plastics, paper, rubber goods, artificial leather, soap, cosmetics, metals and alloys.*
 4. *To carry on the business of chemists, analytical chemists, metallurgists, oil and colourmen, dye makers, gas makers, and makers of and dealers in proprietary articles of all kinds including chemical materials and apparatus.*
- 1.3 The Transferee Company is primarily engaged in the business of manufacture of acids, salts, tannin extracts, chemical, pigments, industrial and other preparations and articles, compounds, oils, paints, pigments and varnishes, drug, dyeware paint and others. The main objects are set out in the Memorandum of Association. Some of them are as under:

A. THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:

1. *To carry on the trade or business of manufacturers of acids, salts, tannin extracts, chemical, industrial and other preparations and articles, compounds, oils, paints, pigments and varnishes, drug, dyeware paint or other substances or things and to purchase, manufacture, sell and generally deal in all materials, substances and things required for or incidental to the manufacture, preparation, adaption or use of acids, salts, chemicals and other preparations and articles.*
- (1A) *To carry on the business of manufacturers of, dealers and workers in, sellers, Importers and exporters of cement of all types, lime, plasters, clay, granules, sand, artificial stone and all kinds and any products or things which may be manufactured out of with cement or in which the use of cement may be made.*
- (1B) *To manufacture, buy, sell, refine, manipulate, import, export or otherwise deal in all kinds of disinfectants, insecticides, fungicides, manures, sprayers, as also protectives and preservatives and to investigate all means, devices, inventions and improvements tending to increase the use of fertilizers and manures and advance the interests of agriculture and the fertilizer industry.*
- (1C) *To carry on business of hiring out computer time and also providing punching and programming services termed 'software' by methods of system analysis or other similar methods and by the use and employment of computer and other electronic devices involving technical data compilation and processing and sale thereof.*
- (1D) *To carry on the business of shipowners and to purchase, charter, hire ships or vessels.*
- (1E) *To carry on the business of leasing and hire purchase finance Company and to provide on lease or on hire purchase all types of industrial and office plant, equipment, machinery, vehicles and buildings*
- (1F) *To carry on the business of manufacturers of equipments including equipment for energy*

saving and pollution control, components, accessories, apparatus and parts thereof required for industries in general and the chemical and fertilizer industry in particular.

1.4 The Transferor Company and the Transferee Company are promoted by the same Group.

1.5 The Promoters (shareholders) of the Transferor Company as on December 31, 2016 are:

Sr. No.	Name of the Promoters	Address of Promoters
1	Lalit N. Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai – 400 007.
2	Radha L. Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai – 400 007.
3	Ranchoddas Mathradas Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai – 400 007.
4	Sonali B. Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai – 400 007.
5	Bimal L. Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai – 400 007.
6	Jasraj Trading Company	53/57, Laxmi Insurance Building, Sir P.M. Road, Fort, Mumbai 400 001.
7	Phoenix Distributors Pvt Ltd	53/57, Laxmi Insurance Building, Sir P.M. Road, Fort, Mumbai 400 001.
8	The Natural Gas Company Pvt Ltd	53/57, Laxmi Insurance Building, Sir P.M. Road, Fort, Mumbai 400 001.
9	Bharti Laxmikumar Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai – 400 007.
10	Laxmikumar Narottam Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai – 400 007.

There has been no change in the list of promoters since the above mentioned date till the date of approval by the Board to the scheme.

1.6 The Promoters (shareholders) of the Transferee Company as on December 31, 2016 are:

Sr No.	Name of the Promoters	Address of Promoters
1	Lalit N. Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai – 400 007.
2	Harisingh Narottamdas Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai – 400 007.
3	Radha L. Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai – 400 007.
4	Ranchoddas Mathradas Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai – 400 007.
5	Sonali B. Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai – 400 007.

Sr No.	Name of the Promoters	Address of Promoters
6	Mulraj Dwarkadas Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai – 400 007.
7	Bimal L. Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai – 400 007.
8	Kosan Industries Pvt Ltd	53/57, Laxmi Insurance Building, Sir P.M. Road, Fort, Mumbai 400 001.
9	Jasraj Trading Company	53/57, Laxmi Insurance Building, Sir P.M. Road, Fort, Mumbai 400 001.
10	L. P. Gas Equipment Pvt Ltd	53/57, Laxmi Insurance Building, Sir P.M. Road, Fort, Mumbai 400 001.
11	Phoenix Distributors Pvt Ltd	53/57, Laxmi Insurance Building, Sir P.M. Road, Fort, Mumbai 400 001.
12	The Natural Gas Company Pvt Ltd	53/57, Laxmi Insurance Building, Sir P.M. Road, Fort, Mumbai 400 001.
13	Bharti Laxmikumar Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai – 400 007.
14	Laxmikumar Narottam Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai – 400 007.

There has been no change in the list of promoters since the above mentioned date till the date of approval by the Board to the scheme.

1.7 The present Directors of the Transferor Company as on December 31, 2016 are:

Sr No	Name of the Directors	Address
1	Laxmikumar Narottam Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai – 400 007.
2	Bimal Lalitsingh Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai – 400 007.
3	Mitika Laxmikumar Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai – 400 007.
4	Sanjeev Vishwanath Joshi	602, Shivkripa CHS, Nanda Parkar Marg, Vileparle – East, Mumbai 400 057.
5	Arvind W Ketkar	4, Saukhya, Opp. BMC Hospital, V.N. Purav Marg, Chunabhatti, Mumbai 400 042.
6	Dilip Trimbak Gokhale	6, Parvati Niwas, Veer Savarkar Road, Dombivali (East) – 421 201.

There has been no change in the Directors since the above mentioned date till the date of approval by the Board to the scheme.

1.8 The present Directors of the Transferee Company as on December 31, 2016 are:

Sr No	Name of the Directors	Address
1	Laxmikumar Narottam Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai – 400 007.
2	Haridas Tricumdas Kapadia	Shree Satyam CHS Ltd., Shivaji Road, Sai Section, Ambarnath, 421501.
3	Madhu Thakorlal Ankleshwaria	7, Gocul Niwas, Bajaj Road, Vile Parle (West) Mumbai 400 056.
4	Arvind W Ketkar	4, Saukhya, Opp. BMC Hospital, V.N. Purav Marg, Chunabhatti, Mumbai 400 042.
5	Mitika Laxmikumar Goculdas	Mathradas Goculdas Bunglow, 12 French Bridge, Chowpatty, Mumbai – 400 007.

There has been no change in the Directors since the above mentioned date till the date of approval by the Board to the scheme.

1.9 The proposed amalgamation would enable the Transferee Company to focus on the businesses of both the companies in a more professional manner and to create a more competitive business both in scale and operations. The Transferee Company would develop combined long-term corporate strategies and financial policies, thus enabling better management and accelerated growth of the business.

1.10 The Scheme does not affect the rights of the creditors of the Transferor Company and the Transferee Company. There will not be any reduction in amounts payable to the creditors of the Transferor Company and the Transferee Company post sanctioning of the Scheme.

1.11 The members of the Transferor Company shall be allotted shares in the Transferee Company as per the exchange ratio stated in Clause 7 of this Scheme.

1.12 The Board of the Transferor Company and Transferee Company are of the view that the rights and obligations of each of the equity shareholders of the Transferor Company and the Transferee Company respectively are not impacted in any way post sanctioning of the Scheme.

1.13 There are no proceedings/investigation pending against the Transferor Company and the Transferee Company under Sections 210 to 217, 219, 220, 223, 224, 225, 226 & 227 of the Companies Act, 2013.

2. DEFINITIONS

In this Scheme of Arrangement, unless inconsistent with the subject or context, the following expressions shall have the following meanings:

2.1 “Act” means the Companies Act, 2013 and the rules and regulations made thereunder shall include any statutory modifications, alterations, re-enactment or amendments thereof for the time being in force and Companies Act, 1956 and the rules and regulations made thereunder to the extent provisions of Companies Act, 2013 are not notified.

2.2 “Appointed Date” means 1st April, 2016 or such other date as the Board of Directors of the Transferor Company or the Transferee Company or as the Tribunal may direct.

2.3 “BML” or “the Transferor Company” means Borax Morarji Limited, (E-mail id: i n f o @

boraxmorarji.com), (CIN L24100MH1963PLC012706), PAN:AAACB0507E) a public limited company incorporated on August 27, 1963 under the Companies Act, 1956, listed on the Bombay Stock Exchange and having its registered office at Prospect Chambers, 317-21, Dr D N Road, Mumbai 400001.

- 2.4 “Board of Directors” or “Board”** means the board of directors of Borax Morarji Limited or The Dharamsi Morarji Chemical Company Limited, as the case may be, and unless repugnant to the subject, context or meaning thereof, shall be deemed to include every committee (including any committee of directors) or any person authorized by the board of directors or by any such committee.
- 2.5 “DMCC” or “the Transferee Company”** means The Dharamsi Morarji Chemical Company Limited, (E-mail id: info@dmcc.com), (CIN L24110MH1919PLC000564), (PAN: AAACT5000E), a public limited company incorporated on September 25, 1919 under the Indian Companies Act, VII of 1913, listed on the Bombay Stock Exchange and having its registered office at Prospect Chambers, 317/21, D N Road, Fort, Mumbai 400001.
- 2.6 “Effective Date” or “coming into effect of this Scheme” or “upon the scheme becoming effective” or “effectiveness of the scheme”** means the date on which the certified copies of the orders of Tribunal under Sections 230 to 232 read with Sections 52 of the Companies Act, 2013 sanctioning the Scheme are filed with the Registrar of Companies, Mumbai.
- 2.7 “Record Date”** means in respect of amalgamation of the Transferor Company into the Transferee Company, the date to be fixed by the Board of Directors of the Transferee Company for the purposes of determining the shareholders of the Transferor Company to whom shares would be issued in accordance with Clause 7.1 of this Scheme.
- 2.8 “Scheme” or “the Scheme” or “this Scheme” or “this Scheme of Arrangement”** means this Scheme of Arrangement in its present form (along with any annexures, schedules, etc., annexed/ attached hereto) or with any modification(s) and amendments made under Clause 18 of this Scheme from time to time and with appropriate approvals and sanctions as imposed or directed by the Tribunal or such other competent authority, as may be required under the Act, as applicable, and under all other applicable laws.
- 2.9 “Transition period”** means period starting from the date immediately after the Appointed Date till the Effective Date
- 2.10 “Tribunal”** means the National Company Law Tribunal, Mumbai Bench having jurisdiction in relation to the Transferor Company and Transferee Company.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be, or any statutory modification or re-enactment thereof from time to time.

In this Scheme, unless the context otherwise requires:

- (i) references to “persons” shall include individuals, bodies corporate (wherever incorporated), unincorporated associations and partnerships;
- (ii) the headings are inserted for ease of reference only and shall not affect the construction or interpretation of the relevant provision of this Scheme;
- (iii) any phrase introduced by the terms “including”, “include” or any similar expression shall be construed without limitation;
- (iv) references to one gender includes all genders; and
- (v) words in the singular shall include the plural and *vice versa*.

3. OBJECT AND RATIONALE FOR THE SCHEME OF ARRANGEMENT

- 3.1 Currently, the Transferor Company is, inter alia, engaged in the business of manufacturing and dealing in Borax and Boric Acid. The Transferee Company is primarily engaged in the business of manufacture of acids, salts, tannin extracts, chemical, pigments, industrial and other preparations and articles, compounds, oils, paints, pigments and varnishes, drug, dyeware paint and others
- 3.2 The proposed amalgamation would enable the Transferee Company to focus and create a more competitive business both in scale and operations. The Transferee Company would develop long-term corporate strategies and financial policies with respect to the combined business and harness synergies on consolidation of business, thus enabling better management and accelerated growth of the Transferor Company.
- 3.3 The proposed amalgamation and restructuring would result in the following benefits:
- (a) Operational rationalization, organizational efficiency and optimal utilization of various resources due to pooling of management, administrative and technical skills of various resources of both the companies, better administration, and cost reduction, including reduction in managerial, administrative and other common costs;
 - (b) Focused attention approach on the businesses and better alignment, coordination and streamlining of day to day operations of both the companies, leading to improvement in overall working culture and environment;
 - (c) Creation of value for various stakeholders and shareholders of both the companies, as a result of all of the foregoing; and
 - (d) Greater administrative efficiency

4. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme shall be effective in its present form or with any modification(s) approved or imposed or directed by the Tribunal or any other appropriate authority or made as per Clause 18 of the Scheme shall be effective from the Appointed Date respectively.

5. SHARE CAPITAL

- 5.1 The share capital of the Transferor Company as on its latest audited Balance Sheet dated 31st March, 2016 is as under:

Particulars	Amount (in Rs.)
Authorized share capital	
10,000,000 equity shares of Rs.10/- each	100,000,000
10,000,000 preference shares of Rs.10/- each	100,000,000
TOTAL	200,000,000
Issued, subscribed and paid-up share capital	
4,519,698 equity shares of Rs.10/- each fully paid up	45,196,980
9,000,000 8% Cumulative Non-convertible Preference Shares of Rs.10/- each fully paid up	90,000,000
TOTAL	135,196,980

As on the date of approval of the Scheme by the Board of Directors of the Transferor Company, there is no change in the authorized, issued, subscribed and paid-up share capital of the Transferor Company.

- 5.2 The share capital of the Transferee Company as on its latest audited Balance Sheet dated 31st March, 2016 is as under:

Particulars	Amount (in Rs.)
Authorized share capital	
30,000,000 equity shares of Rs.10/- each	300,000,000
1,000,000 preference shares of Rs.100/- each	100,000,000
TOTAL	400,000,000
Issued, subscribed and paid-up share capital	
21,257,821 equity shares of Rs.10/- each	212,578,210
880,000 preference shares of Rs.100/- each	88,000,000
TOTAL	300,578,210

As on the date of approval of the Scheme by the Board of Directors of the Transferee Company, authorized, issued, subscribed and paid-up share capital of the Transferee Company stands as follows:

Particulars	Amount (in Rs.)
Authorized share capital	
30,000,000 equity shares of Rs.10/- each	300,000,000
1,000,000 preference shares of Rs.100/- each	100,000,000
TOTAL	400,000,000
Issued, subscribed and paid-up share capital	
21,846,751 equity shares of Rs.10/- each	218,467,510
280,000 preference shares of Rs.100/- each	28,000,000
TOTAL	246,467,510

The shares of both the Transferor Company and the Transferee Company are listed on the BSE Limited.

PART II - AMALGAMATION OF THE TRANSFEROR COMPANY

6. TRANSFER AND VESTING OF TRANSFEROR COMPANY OF THE TRANSFEROR COMPANY INTO TRANSFEE COMPANY

- 6.1. Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Transferor Company together with all the respective properties, assets, investments, liabilities, rights, benefits, interests, title or power of every kind, nature, description and obligations therein shall, pursuant to the provisions of Section 230 to 232 of the Act and in accordance with Section 2(1B) of the Income-

tax Act, 1961, without any further act, deed, matter or thing, be and stand merged and transferred to and vested in and shall be deemed to be transferred to and vested in the Transferee Company on a going concern basis in the manner described hereunder, and shall become the property of and an integral part of the Transferee Company.

- 6.2. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section 2(1B) of the Income-tax Act, 1961 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 Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income-tax Act, 1961. Such modification will however not affect the other parts of the Scheme.
- 6.3. Without prejudice to the generality of Clause 6.1, upon the coming into effect of this Scheme and with effect from the Appointed Date, all the assets of or used for the Transferor Company, as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and delivery, or by vesting and recorded pursuant to this Scheme including without limitation plant and machinery, whether leased or otherwise, other fixed assets, vehicles, furniture, fixtures and appliances, computers and office equipment pertaining to the Transferor Company, shall stand vested in the Transferee Company, and shall become the property and an integral part of the Transferee Company. The vesting pursuant to this sub-Clause shall be deemed to have occurred by manual delivery or endorsement and delivery, as appropriate to the asset or property being vested, and the title to such asset or property shall be deemed to have transferred and vested accordingly.
- 6.4. In respect of movables other than those dealt with in Clause 6.3 above including all current assets, investments in shares and any other securities, sundry debts, receivables, bills, credits, loans and advances related to Transferor Company, if any, whether recoverable in cash or in kind or for value to be received, deposits including accrued interest, bank balances, cash balances, development rights, advances paid to any parties for any business purpose, earnest money, security deposits, retention monies and any deposits with any Government, quasi government, local or other authority or body or with customers or any company or other person, upon the coming into effect of this Scheme and with effect from Appointed Date, the same shall, without any further act, instrument or deed, stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard.
- 6.5. All immovable properties in connection with the Transferor Company, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Transferor Company, whether freehold or leasehold (including any right to use) or licensed or otherwise and all documents of title, rights and easements in relation thereto shall stand transferred to and be vested in /or be deemed to have been and stand transferred to and vested in the Transferee Company, without any further act or deed done or being required to be done by the Transferor Company and/or the Transferee Company, and without any approval or acknowledgement of any third party. The Transferee Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent, charges, and taxes and fulfill all obligations in relation to or applicable to such immovable properties. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of this Scheme by the Court in accordance with the terms hereof. The Transferor Company shall take all steps as may be necessary to ensure that lawful and peaceful

possession, right, title, interest of such immovable property of the Transferor Company is given to the Transferee Company in accordance with the terms hereof.

- 6.6. Without prejudice to the generality of paragraphs above, upon the coming into effect of this Scheme and with effect from the Appointed Date, any and all intellectual property rights, know-how, patents, trademarks and confidential information which is owned by or licensed to the Transferor Company, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world including any and all registrations, goodwill, licenses, trademarks, service marks, copyrights, domain names, applications for copyrights, trade names and trademarks, appertaining to the Transferor Company, if any, shall stand transferred to and vested in the Transferee Company. The Transferee Company and the Transferor Company shall, on the Effective Date, intimate the relevant authorities in relation to the transfer of these intellectual property rights from the Transferor Company to the Transferee Company pursuant to the merger.
- 6.7. In so far as loans and borrowings of the Transferor Company pertaining to the general or multipurpose loans and liabilities, without any further act or deed, become loans and borrowings of the Transferee Company, and all rights, powers, duties and obligations in relation thereto shall be and stand vested in and shall be exercised by or against the Transferee Company as if it had entered into such loans and incurred such borrowings. Thus, the primary obligation to redeem or repay such liabilities upon the Scheme becoming effective shall be that of the Transferee Company.
- 6.8. In so far as the existing Encumbrance, if any, in respect of the loans, borrowings, debts, liabilities, is concerned, such Encumbrance shall, without any further act, instrument or deed be modified and shall be extended to and shall operate only over the assets comprised in Transferor Company which have been Encumbered in respect of the transferred liabilities as transferred to the Transferee Company pursuant to this Scheme. Provided that if any of the assets comprised in Transferor Company which are being transferred to the Transferee Company pursuant to this Scheme have not been Encumbered in respect of the transferred liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above.
- 6.9. The transfer and vesting as aforesaid shall be subject to subsisting charges, if any, in respect of any assets of the Transferor Company.
- The Scheme shall not operate to enlarge the security for any loan, deposit or facility availed by the Transferor Company, and the Transferee Company shall not be obliged to create any further or additional security thereof after the Effective Date or otherwise.
- 6.10. In so far as the existing security in respect of the loans or borrowings of the Transferor Company and other liabilities of the Transferor Company are concerned, such security shall, without any further act, instrument or deed be continued with the Transferee Company. The Transferor Company and the Transferee Company shall file necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.
- 6.11. Upon the coming into effect of this Scheme and with effect from the Appointed Date, all 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 the Transferor Company shall, stand transferred to and vested in or deemed to be transferred to and vested in the Transferee Company under the provisions of Sections 230 to 232 of the Act and other

applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing. The Transferee Company shall, and does hereby undertake to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. It is hereby clarified that 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 debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause [6.11.]

- 6.12. Where any of the liabilities and obligations attributed to the Transferor Company have been discharged by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on behalf of the Transferee Company.
- 6.13. Upon the coming into effect of this Scheme and with effect from the Appointed Date, all records, files, papers, engineering and process information, product and service information (including documentation, designs, formulae, drawings, data, specifications, manuals, and instructions), computer programs, software, manuals, data catalogues, quotations, sales and advertising materials, business plans, budgets, forecasts and estimates, list of present and former customers and suppliers, customers credit information, customers pricing information, tax records, records to be maintained under any law, rule or regulation, and other records, whether in physical, electronic, machine readable or other form, in connection with or relating to the Transferor Company, shall stand transferred to or vested in the Transferee Company.
- 6.14. Pursuant to the coming into effect of this Scheme, the Transferee Company shall, if so required under any law or otherwise, execute deeds of confirmation, assignment or novation or other writings or arrangement with any party to any contracts, deeds, bonds, agreements, commitments, understandings, binding arrangements, licences, purchase orders and all other forms of engagements, arrangements and agreements in relation to the Transferor Company and any offers, tenders, permits, rights, subsidies, concessions, entitlements, clearances, licenses (including the licenses granted by any governmental, statutory or regulatory bodies) or the like and other instruments of whatsoever nature to which the Transferor Company is a party in order to give formal effect to the above provisions. The Transferee Company shall, be deemed to be authorized to execute any such writings on behalf of the Transferor Company to carry out or perform all such formalities or compliances referred to above on part of the Transferor Company.
- 6.15. Upon the coming into effect of this Scheme and with effect from the Appointed Date, all existing and future incentives, unavailed credits and exemptions, benefits, advantages, privileges, remissions, reductions of carried forward tax losses (including depreciation) and other statutory benefits, including in respect of income tax (including and not limited to advance income tax, taxes deducted at source, MAT credits), excise (including Modvat / Cenvat), customs, VAT, sales tax, service tax etc., to which the Transferor Company is entitled to shall be available to and vest in the Transferee Company. The Transferor Company and the Transferee Company shall be entitled, wherever necessary, to revise their returns filed under various laws, as may be applicable, including returns filed under the Income Tax, Wealth Tax, Commercial Tax/ Trade Tax/ Sales Tax/ VAT, Entry Tax, Central Excise laws, and also, without limitation, the TDS/TCS certificates.
- 6.16. Upon coming into effect of the Scheme, and with effect from the Appointed Date, the Transferee Company is also expressly permitted to revise its income tax returns and other returns filed under the Tax Laws and to claim refunds, advance tax including MAT and withholding tax credits, etc., pursuant to the provisions of this Scheme
- 6.17. It is clarified that the taxes paid by the Transferor Company relating to the period on or after the Appointed Date including by way of deduction at source, which pertain to the Transferor Company,

will be deemed to be the taxes paid by the Transferee Company and the Transferee Company shall be entitled to claim credit for such taxes deducted / paid against its tax liabilities notwithstanding that the certificates / challans or other documents for payment of such taxes are in the name of the Transferor Company.

- 6.18. Pursuant to the coming into effect of this Scheme with effect from Appointed Date, the Transferee Company shall be entitled to secure the record of the change in the legal ownership upon the vesting of the assets of the Transferor Company, in accordance with the provisions of Sections 230 to 232 of the Act. The Transferor Company and the Transferee Company shall be jointly and severally authorised to execute any writings and / or carry out any formalities or compliance in this regard.
- 6.19. All the licenses, permits, quotas, consents, exemptions, registrations, no-objection certificates, approvals (including, but not limited to, environmental approvals, statutory and regulatory approvals), permissions, registrations and benefits, subsidies, concessions, grants, rights, electricity, gas, water and other service connections, telephone lines, communication facilities, installations, utilities, 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 of the Act and all other applicable provisions, if any, 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 the licenses, permits, quotas, consents, exemptions, registrations, no-objection certificates, approvals (including, but not limited to, environmental approvals, statutory and regulatory approvals), permissions, registrations, incentives, accumulated tax losses, tax deferrals and benefits, subsidies, concessions, grants, rights, electricity, gas, water and other service connections, telephone lines, communication facilities, installations, utilities, 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.

7. ISSUE OF SHARES

- 7.1. Upon the coming into effect of this Scheme and in consideration for the transfer of and vesting of the assets and liabilities of the Transferor Company into the Transferee Company pursuant to merger, the Transferee Company shall issue and allot at fair values, credited as fully paid up, to the members of the Transferor Company or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Transferor Company and approved by them whose names appear in the Register of Members on the Record Date as under:

“1 (“One”) Equity Share in Transferee Company of INR 10 (“Indian Rupees Ten”) each fully paid up for every 2 (“Two”) fully paid up equity shares of INR 10 (“Indian Rupees Ten”) each in the Transferor Company”.

“10 (“Ten”) Equity Shares in Transferee Company of INR 10 (“Indian Rupees Ten”) each fully paid up for every 108 (“One Hundred and Eight”) fully paid up Preference shares of INR 10 (“Indian Rupees Ten”) each in the Transferor Company”.

- 7.2. The Preference shares in the Transferor Company shall not be entitled to any consideration in respect of the total cumulative dividend accrued and unpaid on such Preference shares of the Transferor Company.

- 7.3. The equity shares issued and allotted by the Transferee Company in terms of this Scheme shall rank pari-passu in all respects with the existing equity shares of the Transferee Company.
- 7.4. The consideration in the form of equity shares shall be issued and allotted by the Transferee Company in dematerialized form to all the shareholders of the Transferor Company holding such shares in dematerialized form and in physical form to all those shareholders of the Transferor Company holding such shares in physical form. Further, the Transferee Company shall ensure that the shares so allotted pursuant to this clause are listed on the stock exchanges where existing shares of the Transferee Company are listed.
- 7.5. No shares shall be allotted in respect of fractional entitlements, by DMCC to which the members of BML may be entitled on allotment of shares as per Clause 7.1. The Board of Directors of DMCC shall, instead consolidate all such fractional entitlements and thereupon allot equity shares in lieu thereof to a person authorized by the Board of Directors of DMCC in this behalf who shall hold the shares in trust on behalf of the members of BML entitled to fractional entitlements with the express understanding that person shall sell the same in the market at such time or times and at such price or prices in the market and to such person, as he deems fit, and pay to DMCC, the net sale proceeds thereof, whereupon DMCC shall distribute such net sale proceeds, subject to tax deductions as applicable, to the members of BML in proportion to their respective fractional entitlements.
- 7.6. The equity shares to be issued by the Transferee Company to the equity shareholders of the Transferor Company shall be subject to the Scheme and the Memorandum and Articles of Association of the Transferee Company.
- 7.7. The Transferee Company shall, if necessary and to the extent required, increase its Authorized Share Capital to facilitate issue of equity shares under this Scheme.
- 7.8. It is clarified that no special resolution under Section 42, Section 62 or any other applicable provisions of the Act shall be required to be passed by the Transferee Company separately in a general meeting for issue and allotment of equity shares to the Shareholders of the Transferor Company. The Securities Premium recorded by the Transferee Company on issue of shares under this clause, shall be considered by the Transferee Company for giving effect to provisions of Clause 10 of the Scheme.

8. **AGGREGATION OF AUTHORISED CAPITAL**

- 8.1. The provisions of this Clause shall operate notwithstanding anything to the contrary in any other instrument, deed or writing.
- 8.2. Upon this Scheme becoming effective, the authorised share capital of the Transferee Company shall automatically stand increased 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, Maharashtra, Mumbai by the authorised share capital of the Transferor Company as on the Effective Date 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 the provisions of the Act would be required to be separately passed. For this purpose, the filing fees and stamp duty, if any already paid by the Transferor Company on its authorized 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.

- 8.3. Pursuant to the Scheme becoming effective and consequent upon the amalgamation of the Transferor Company into the Transferee Company, the authorised share capital of the Transferee Company will be as under:

Share Capital	Amount in INR
Authorized Capital	
40,000,000 equity shares of Rs.10/- each	400,000,000
2,000,000 preference shares of Rs.100/- each	200,000,000
Total	600,000,000

- 8.4. It is clarified that no special resolution under Section 13, 14, 61 of the Companies Act, 2013 shall be required to be passed by the Transferee Company separately in a general meeting for increase in authorised share capital or for issue and allotment of equity shares to the shareholders of the Transferor Company pursuant to the Scheme and Clause V of the Memorandum of Association of the Transferee Company shall stand substituted by virtue of the Scheme to read as follows

- V. The Authorized Share Capital of the Company is Rs. 60,00,00,000 (Rupees Sixty Crores Only) consisting of 4,00,00,000 Equity Shares of Rs. 10 each and 20,00,000 Preference Shares of Rs. 100 each

with power to increase or reduce the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company.

9. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEE COMPANY ON AMALGAMATION

With effect from the Effective Date, the Transferee Company shall follow the accounting treatment for the amalgamation in accordance with provisions of applicable Accounting Standards such that:

Upon the coming into effect of this Scheme, the Transferee Company shall on the Appointed Date record the assets and liabilities of the Transferor Company at their fair values as determined by the Board of Directors of the Transferee Company. As considered appropriate for the purpose of reflecting the fair value of assets and liabilities of the Transferor Company taken over by the Transferee Company, suitable effect may be given including, but not restricted to, application of relevant accounting policies and methods followed by the Transferee Company.

- 9.1. The Transferee Company shall credit to its equity share capital account, the face value of equity shares issued as per Clause 7.1 of this Scheme.
- 9.2. The inter-company balances, if any, appearing in the books of accounts of the Transferee Company and the Transferor Company, will stand cancelled.
- 9.3. The difference being the excess of the fair value of assets and liabilities of the Transferor Company transferred to the Transferee Company, over the fair value of equity shares allotted as per Clause 7.1 and after considering the adjustment mentioned in Clause 9.2 above, would be recorded as Capital Reserve. Shortfall, if any, shall be recorded as Goodwill.

10. **REDUCTION OF SECURITIES PREMIUM ACCOUNT AND ADJUSTMENT OF CAPITAL RESERVE**

- 10.1. On the Scheme becoming effective and after giving effect to the provisions of Clause 9, accumulated losses and Deferred Tax Assets as on the Appointed Date in the books of the Transferee Company shall be adjusted against the Capital Reserve (not exceeding Rs.33.63 Crores) and balance against the amount lying in Securities Premium Account.
- 10.2. The application and reduction of Securities Premium account as per Clause 10.1 above shall be effected as an integral part of the Scheme itself and in accordance with the provisions of Section 66 read with Section 52 and other applicable provisions of the Companies Act 2013 and the order of the Tribunal or any appropriate authority sanctioning the Scheme shall be deemed to be also the order under Section 66 of the Act for the purpose of confirming the reduction of capital. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital and the provisions of Section 66 of the Act will not be applicable.

11. **EMPLOYEES**

- 11.1. On the Scheme becoming effective, all staff and employees of the Transferor Company, in service on the Effective Date shall be deemed to have become staff and employees of the Transferee Company without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee Company shall not be less favourable than those applicable to them with reference to their employment in the Transferor Company.
- 11.2. It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund or Trusts, if any, created or existing for the benefit of the staff and employees of the Transferor Company or all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such Fund or Funds shall become those of the Transferee Company. It is clarified that the services of the staff and employees of the Transferor Company will be treated as having been continuous for the purpose of the said Fund or Funds.
- 11.3. With effect from the date of filing of the Scheme with the Tribunal and up to and including the effective date, the Transferor Company shall not vary the terms and conditions of employment of any of the employees of the Transferor Company except in the ordinary course of business or without the prior consent of Board of Directors of the Transferee Company or pursuant to any pre-existing obligation undertaken by the Transferor Company.

12. **CONDUCT OF BUSINESS DURING THE TRANSITION PERIOD**

- 12.1. During the Transition Period:
 - (a) The Transferor Company shall carry on, and be deemed to have carried on the business, operations or activities of the Transferor Company and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all the assets, properties, rights, title, interest, liabilities, authorities, contracts, investments and decisions relating to Transferor Company for and on account of, on behalf of and / or in trust for, the Transferee Company.
 - (b) All profits or income accruing or arising to the Transferor Company, or losses arising or expenditure incurred by it (including taxes, if any, accruing or paid in relation to any profits or income), in relation to the Transferor Company, shall for all purposes be treated as, and

be deemed to be treated as, the profits or income or losses or expenditure, as the case may be, of the Transferee Company. The Transferor Company shall not incur any expenditure except in the normal course of business.

- (c) Any of the rights, powers, authorities, privileges attached, exercised by the Transferor Company shall be deemed to have been exercised by it for and on behalf of, and in trust for and as an agent of the Transferee Company.
 - (d) The Transferor Company shall carry on the business of the Transferor Company with reasonable diligence and business prudence and in the same manner as it had been doing hitherto and shall not in respect of the said undertaking, undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitment either for itself or on behalf of its subsidiaries or group companies or any third party, or sell, transfer, alienate, charge, mortgage or encumber or deal, except (i) when the same is expressly provided in this Scheme; or (ii) when the same is in the ordinary course of business as carried on by it as on the date of filing of this Scheme in the Hon'ble Tribunals; or (iii) when a written consent of the Transferee Company has been obtained in this regard.
 - (e) All assets howsoever acquired by the Transferor Company for carrying on the business, operations or activities and the liabilities shall be deemed to have been acquired and are also contracted for and on behalf of the Transferee Company; however no onerous or extraordinary asset shall have been acquired by, or onerous liability be incurred by the Transferor Company after the Appointed Date without prior written consent of the Transferee Company.
 - (f) The Transferor Company shall not utilize the profits or income, if any, for the purpose of declaring or paying any dividend or for any other purpose in respect of the period falling on and after the Appointed Date, without the prior written consent of the Board of Directors of the Transferee Company.
- 12.2. The Transferor Company shall, pending sanction of the Scheme, apply to the Central Government, State Government, and all other agencies, department and statutory authorities concerned, wherever necessary, for such consents, approvals, sanctions, registration, exemptions as may be required / granted under any law for the time being in force which the Transferor Company and the Transferee Company require in relation to the amalgamation of the Transferor Company into the Transferee Company or which the Transferee Company requires to own the Transferor Company and carrying on the Transferor Company on a going concern basis.
- 12.3. The transfer of assets, properties and liabilities of Transferor Company and the continuance of proceedings relating thereto by or against the Transferor Company shall not affect any transaction or proceedings already concluded by the Transferor Company on or after the Appointed Date to the end and intend that the Transferee Company accepts and adopts all acts, deeds things done and duly executed by the Transferor Company, in regard thereto as done executed by the Transferee Company on behalf of itself.
- 12.4. For the sake of clarity, it is confirmed that all assets or investments, properties, right, title or interest acquired by the Transferor Company after the Appointed Date but prior to the Effective Date in relation to the Transferor Company shall also, 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 pursuant to the provisions of Section 230 to 232 of the Act.

13. **LEGAL PROCEEDINGS**

- 13.1. If any suit, appeal or other proceedings of whatever nature by or against the Transferor Company is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of this merger or by anything contained in this Scheme, but the said suit, appeal or other legal 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 the Scheme had not been made. In the event that the legal proceedings referred to herein require the Transferor Company and the Transferee Company to be jointly treated as parties thereto, Transferee Company shall be added as party to such proceedings and shall prosecute and defend such proceedings in co-operation with the Transferor Company. In the event of any difference or difficulty in determining as to whether any specific legal or other proceeding relates to Transferor Company or not, a certificate issued by the Board of Directors of the Transferor Company as to whether such proceeding relates to Transferor Company or not, shall be conclusive evidence of the matter.
- 13.2. The Transferee Company undertakes to have all legal or other proceedings initiated by or against the Transferor Company referred to in Clause 13.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against the Transferee Company to the exclusion of Transferor Company.
- 13.3. On and from the Effective Date, the Transferee Company shall, and may, if required, initiate, continue any legal proceedings in relation to the Transferor Company.

14. **CONTRACTS, DEEDS OTHER INSTRUMENTS**

- 14.1. Subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements, commitments, understandings, binding arrangements, licences, purchase orders and all other forms of engagements, arrangements and agreements and any offers, tenders or the like and other instruments of whatsoever nature to which the Transferor Company is a party, or the benefit to which the Transferor Company may be eligible, subsisting or operative immediately on or before the Effective Date, of this Scheme entered into by the Transferor Company prior to the Appointed Date and which are in effect (in whole or in part) as at the Appointed Date in accordance with the terms and conditions thereof, and those which are not listed therein but entered into by the Transferor Company between the Appointed Date and the Effective Date shall be in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectively as if instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto.
- 14.2. Further, without prejudice to the transfer and vesting of the Transferor Company to and in the Transferee Company, the Transferee Company shall be deemed to be authorised to execute any such deeds, writings, assignment and /or novation's or enter into any tripartite arrangements, 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 or at any time after this Scheme becomes effective, if so required or becomes necessary. The contracts entered into by the Transferor Company till the Effective Date shall be vested in the Transferee Company and unless required under such contract, the Transferee Company would not be required to carry out assignment of such contracts with any party whatsoever.
- 14.3. Pursuant to merger, the Transferee Company shall be deemed to be authorised to bid for any tender of any private entity or any Government or public sector undertaking and to implement to the same extent as it would or might have been carried on by the Transferor Company. For calculating

any pre-qualification criteria such as financial, technical, etc. for the Transferor Company, the track record and qualifications of the Transferor Company shall be considered and shall be deemed to automatically vest in the Transferee Company pursuant to the Scheme for purpose of such tenders.

- 14.4. It is hereby clarified that if any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Transferor Company to which the Transferor Company is a party, cannot be transferred to the Transferee Company for any reason whatsoever, the Transferor Company shall hold such contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Transferee Company. To the extent permitted under the terms of such contracts, the Transferor Company shall subcontract the same to the Transferee Company. Further, the Transferor Company shall, at its cost and expense, provide such reasonable assistance as is requested by the Transferee Company to enable it, so far as possible, to make independent arrangements with the other party to such contract including introducing the Transferee Company to the relevant third party.
- 14.5. If at any time it is identified that the Transferor Company is a party to a contract in respect of any intellectual property right related to the Transferor Company, owned by a third party, which by its terms cannot be assigned to the Transferee Company, the Transferor Company shall (whether and to the extent permitted by the terms of such contract) grant or procure the grant to the Transferee Company of a sub-licence to use and exploit such intellectual property right. When the Transferor Company is not permitted by the terms of such contract to grant a sub-licence to the Transferee Company, the Transferor Company shall, at its cost and expense, provide such reasonable assistance as is requested by the Transferee Company to enable it, so far as possible, to make independent arrangements with the other party to such contract including introducing the Transferee Company to the relevant third party.
- 14.6. As a consequence of the merger of the Transferor Company into the Transferee Company in accordance with or pursuant to this Scheme, the recording of change in name in the records of the statutory or regulatory authorities from the Transferor Company to the Transferee Company, whether relating to any licence, permit, approval or any other matter, or whether for the purposes of any transfer, registration, mutation or any other reason, shall be carried out by the concerned statutory or regulatory or any other authority.

15. **SAVING OF CONCLUDED TRANSACTIONS**

The transfer and vesting of businesses and the continuance of proceedings by or against the Transferor Company, to the extent it relates to the Transferor Company above shall not affect any transaction or proceedings already concluded by the Transferor Company on or before the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself.

16. **DISSOLUTION OF THE TRANSFEROR COMPANY**

On the Scheme becoming effective, the Transferor Company shall stand dissolved without being wound-up. Further, on and from the Effective Date, the name of the Transferor Company shall be struck off from the records of the Registrar of Companies, Maharashtra, Mumbai.

PART III
GENERAL CLAUSES, TERMS AND CONDITIONS

17. APPLICATION TO THE TRIBUNAL OR SUCH OTHER COMPETENT AUTHORITY

17.1. The Transferor Company and the Transferee Company shall make all necessary applications / petitions under Sections 230 to 232 read with Section 52 of the Companies Act, 2013 and other applicable provisions of the said Act to the Tribunal of Mumbai for sanction of this Scheme under the provisions of the law.

18. MODIFICATION / AMENDMENT TO THE SCHEME

18.1. Subject to approval of Tribunal, the Transferor Company and the Transferee Company by their respective Board of Directors or any duly authorized committee may make or consent to, on behalf of all persons concerned, any modifications or amendments to the Scheme, or to any conditions or limitations that the Tribunal or any other authority may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate by the respective Board of Directors or committees, including withdrawal of this Scheme and solve all difficulties that may arise for carrying out the Scheme and do all acts, deeds and things necessary for putting the Scheme into effect. No modification or amendment to the Scheme will be carried out or effected by the Board without approaching the Tribunal.

18.2. The Transferor Company and the Transferee Company shall be at liberty to withdraw from this Scheme, in case of any condition or alteration imposed by the Honourable Tribunal or any other authority or any bank or financial institution is unacceptable to them or otherwise if so mutually agreed.

18.3. For the purpose of giving effect to this Scheme or to any modification thereof, the Board of Directors of the Transferor Company and the Transferee Company or any other duly authorized committee thereof are authorized severally to give such directions including directions for settling any question of doubt or difficulty that may arise under this Scheme or in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any matter whatsoever connected therewith (including in case of issue and allotment of shares), and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in the Scheme.

19. CONDITIONALITY OF THE SCHEME

The Scheme is conditional upon and subject to the following:

- (a) The Scheme being approved by the respective requisite majorities of the members and/or creditors of the Transferor Company and the Transferee Company as required under the Act and as may be directed by the Honorable Tribunal and / or any other competent authority and it being sanctioned by the Honorable Tribunal and/or any other competent authority, as may be applicable.
- (b) The requisite sanctions, approvals, no-objections or consents of any governmental or regulatory authority, as may be required by law,
- (c) The certified copy of the order of the NCLT sanctioning the Scheme, being filed with the Registrar of Companies, Maharashtra at Mumbai, by the Transferor Company and the Transferee Company.

20. EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

(i) In the event of any of the said sanctions and approvals referred to in the preceding Clause 19 not being obtained, or in the event of this Scheme failing to take effect, before March 31, 2018, this

Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and / or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

21. **BINDING EFFECT:**

Upon the Scheme becoming effective, the same shall be binding on the Transferor Company and the Transferee Company and all concerned parties without any further act, deed, matter or thing.

22. **EXECUTING DEEDS OR ARRANGEMENTS TO GIVE EFFECT TO THE SCHEME :**

The Transferee Company, at any time after the Transition period in accordance with the provisions hereof, if so required under any law or otherwise, will execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to the Transferor Company to which any of the Transferor Company is a party in order to give formal effect to the provisions of the 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 behalf of the Transferor Company.

23. **COSTS**

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed), incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne by the Transferee Company.

24. **SEVERABILITY**

If any part of this Scheme is invalid, ruled illegal by any court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Parties that such part shall be severable from the remainder of this Scheme and this 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 Transferor Company and the Transferee Company (acting through their respective Boards of Directors) shall attempt to bring about appropriate modification to this Scheme, as will best preserve for the Parties, the benefits and obligations of this Scheme, including but not limited to such part.

SSPA & CO.*Chartered Accountants*

1st Floor, " Arjun", Plot No. 6 A,
V. P. Road, Andheri (W),
Mumbai - 400 058. INDIA.

Tel. : 91 (22) 2670 4376

91 (22) 2670 3682

Fax : 91 (22) 2670 3916

Website : www.sspa.in

STRICTLY PRIVATE & CONFIDENTIAL

02 March 2017

To,
The Board of Directors,
Dharamsi Morarji Chemical Company Limited
317/21, Prospect Chambers,
D N Road, Fort,
Mumbai – 400001.

The Board of Directors,
Borax Morarji Limited
317/21, Prospect Chambers,
D N Road, Fort,
Mumbai – 400001.

Re: Recommendation of fair share exchange ratio for the proposed amalgamation of Borax Morarji Limited with Dharamsi Morarji Chemical Company Limited.

Dear Sir(s),

As requested by the Management of Dharamsi Morarji Chemical Company Limited and Borax Morarji Limited (hereinafter collectively referred to as the "Management"), we have carried out relative valuation of equity shares of Dharamsi Morarji Chemical Company Limited (hereinafter referred to as "DMCCL") and Borax Morarji Limited (hereinafter referred to as "BML") to recommend fair share exchange ratio for the proposed amalgamation of BML with DMCCL (hereinafter collectively referred to as the "Companies").

1. PURPOSE OF VALUATION

- 1.1 We have been informed that the Management is considering a proposal for the amalgamation of BML with DMCC (hereinafter referred to as "amalgamation") pursuant to the provisions of Sections 230 to 232 read with Section 52 and other applicable provisions of the Companies Act 2013, including rules and regulations made thereunder (hereinafter referred to as "Scheme"). Subject to necessary approvals, BML would be amalgamated with DMCCL, with effect from Appointed Date of April 01, 2016.
- 1.2 In consideration for the Amalgamation, equity shares of DMCCL would be issued to the shareholders of BML.
- 1.3 In this regards, SSPA & Co., Chartered Accountants ("SSPA") has been appointed by the



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Companies to carry out the relative valuation of equity shares of BML and DMCCCL to recommend the fair share exchange ratio.

2. BRIEF BACKGROUND OF THE COMPANIES

2.1 DHARAMSI MORARJI CHEMICAL COMPANY LIMITED

2.1.1 DMCCCL was incorporated as on September 25, 1919 and its registered office is located at 317/21, Prospect Chambers, D N Road, Fort, Mumbai – 400001, Maharashtra.

2.1.2 DMCCCL is primarily engaged in the business of manufacturing Sulphuric acid, oleum, Chlorosulphonic acid and other commodity chemicals as also various specialty chemicals and preparations etc. used in pigments, varnishes, dyes and dyes intermediates and drugs and pharmaceutical industry. The equity shares of the company are listed on BSE Limited.

2.1.3 In December-2016, DMCCCL made a preferential allotment of 5,88,930 equity shares of INR 10 each at a premium of INR 91.88 each to its promoters amounting to INR 6 crores. The proceeds from the above issue were utilized to redeem 6,00,000 8% Redeemable Cumulative non-convertible Preference Shares of INR 100 each aggregating to INR 6 crores and the preference shareholders waived off their right to receive cumulative dividend thereon.

2.1.4 The outstanding preference share capital of DMCCCL as on date is as below:

- 2,80,000 2.5% Redeemable Cumulative non-convertible Preference Shares of INR 100 each aggregating to INR 2.80 crores

2.2 BORAX MORARJI LIMITED

2.2.1 BML was incorporated on August 27, 1963 and its registered office is located at 317/21, Prospect Chambers, D N Road, Fort, Mumbai – 400001, Maharashtra.

2.2.2 BML is primarily engaged in the business of manufacturing and dealing in Borax and Boric Acid and other Boron specialty chemicals. Equity shares of the company are listed on BSE Limited.

2.2.3 As on March 31, 2016, BML had 90,00,000 8% Cumulative Non-Convertible Preference shares of INR 10 each aggregating to INR 9 crores. Pursuant to the Scheme, the preference shareholders shall be allotted equity shares of DMCCCL in lieu of preference shares and the preference shareholders shall waive off their right to receive the outstanding cumulative dividend on these Preference Shares.



3. EXCLUSIONS AND LIMITATIONS

- 3.1 Our report is subject to the scope limitations detailed hereinafter. As such, the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.
- 3.2 Valuation is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value. While SSPA has provided an assessment of the value based on the information available, application of certain formulae and within the scope and constraints of our engagement, others may place a different value to the same.
- 3.3 No investigation of the Companies' claim to title of assets has been made for the purpose of this valuation and their claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.
- 3.4 Our work does not constitute an audit or certification of the historical financial statements / prospective results including the working results of the Companies referred to in this report. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report. Valuation analysis and results are specific to the purpose of valuation mentioned in the report as per agreed terms of our engagement. It may not be valid or used for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.
- 3.5 A valuation of this nature involves consideration of various factors including those impacted by prevailing stock market trends in general and industry trends in particular. This report is issued on the understanding that the Companies have drawn our attention to all material information, which they are aware of concerning the financial position of the Companies and any other matter, which may have an impact on our opinion, on the fair value of shares of the Companies for the purpose of the proposed amalgamation, including any significant changes that have taken place or are likely to take place in the financial position of the Companies, subsequent to the report date. We have no responsibility to update this report for events and circumstances occurring



after the date of this report.

- 3.6 In the course of the valuation, we were provided with both written and verbal information. We have however, evaluated the information provided to us by the Management through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement. Our conclusions are based on the assumptions, forecasts and other information given by/on behalf of the Management. We assume no responsibility for any errors in the above information furnished by the Management and consequential impact on the present exercise.
- 3.7 Our recommendation is based on the estimates of future financial performance as projected by the Management, which represents their view of reasonable expectation at the point of time when they were prepared, but such information and estimates are not offered as assurances that the particular level of income or profit will be achieved or events will occur as predicted. Actual results achieved during the period covered by the prospective financial statements may vary from those contained in the statement and the variation may be material. The fact that we have considered the projections in this exercise of valuation should not be construed or taken as our being associated with or a party to such projections.
- 3.8 Our report is not, nor should it be construed as our opining or certifying the compliance of the proposed amalgamation with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising from such proposed amalgamation.
- 3.9 This report is prepared only in connection with the proposed amalgamation exclusively for the use of the Companies and for submission to any regulatory/statutory authority as may be required under any law.
- 3.10 Any person/party intending to provide finance/invest in the shares/businesses of any of the Companies, shall do so, after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.
- 3.11 It is to be noted that any reproduction, copying or otherwise quoting of this report or any part thereof, other than in connection with the proposed amalgamation as aforesaid, can be done only with our prior permission in writing.



3.12 SSPA, nor its partners, managers, employees or agents of any of them, makes any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the valuation is carried out. All such parties expressly disclaim any and all liability for, or based on or relating to any such information contained in the valuation.

4. SOURCES OF INFORMATION

For the purpose of the valuation exercise, we have relied upon the following sources of information provided by the Management.

- (a) Audited financial statements of the Companies for the Financial Year (FY) ended March 31, 2016.
- (b) Projections of DMCC and BML comprising of income statement, working capital and capital expenditure requirement, as provided by the Management of respective companies.
- (c) Draft Scheme of Amalgamation.
- (d) Discussions with the Management on various issues relevant for the valuation including the prospects and outlook for the industry, expected growth rate and other relevant information relating to future expected profitability of the business, etc.
- (e) Other relevant details regarding the Companies such as their history, their promoters, past and present activities, other relevant information and data including information in the public domain.
- (f) Such other information and explanations as we required and which have been provided by the Management of the Companies.

5. VALUATION APPROACH

For the purpose of valuation for amalgamation, generally the following approaches are adopted:

- (a) the "Underlying Asset" approach;
- (b) the "Income" approach; and
- (c) the "Market Price" approach;

5.1 The Companies are intended to be valued on a 'going concern basis' and there are no



intentions to dispose-off the assets of the Companies, therefore the "Underlying Asset" approach is not adopted for the present valuation exercise.

5.2 Considering the above and given the nature of the business in which the Companies are engaged, we have thought fit to use "Income" approach and "Market Price" approach for the current valuation exercise.

5.3 INCOME APPROACH

Under the "Income" approach, the equity shares of DMCC and BML have been valued using Comparable Companies Multiple (CCM) Method and Discounted Cash Flow (DCF) Method.

5.3.1 COMPARABLE COMPANIES MULTIPLE (CCM) METHOD

5.3.1.1 The CCM Method arrives at the value of the company by using multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed 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. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances. The Enterprise Value (EV) to Earnings before Interest Tax Depreciation and Amortization (EBITDA) multiples of comparable listed companies are used.

5.3.1.2 To the value so arrived, adjustments have been made for loan funds, value of investments, cash and cash equivalents, preferential allotment of equity shares, preference share liability, value of tax benefits due to losses and depreciation and value of surplus assets, after making adjustment of tax wherever applicable.

5.3.1.3 The value as arrived above is divided by the outstanding number of equity shares to arrive at the value per share.

5.3.2 DISCOUNTED CASH FLOW (DCF) METHOD.

5.3.2.1 Under the DCF method the projected free cash flows from business operations after considering fund requirements for projected capital expenditure and incremental working capital are discounted at the Weighted Average Cost of Capital (WACC). The sum of the discounted value of such free cash flows and discounted value perpetuity (i.e. the discounted value of a company's expected free cash flows after the explicit projected period) is the value of the business.

5.3.2.2 The free cash flows represent the cash available for distribution to both the owners and



the creditors of the business. The free cash flows are determined by adding back to profit before tax, (i) depreciation and amortizations (non-cash charge), (ii) interest on loans, and (iii) any non-operating item. The cash flow is adjusted for outflows on account of (i) capital expenditure, (ii) incremental working capital requirements and (iii) tax.

5.3.2.3 WACC is considered as the most appropriate discount rate in the DCF Method, since it reflects both the business and the financial risk of the company. In other words, WACC is the weighted average of the company's cost of equity and debt. Considering an appropriate mix between debt and equity for the company, we have arrived at the WACC to be used for discounting the Free Cash Flows of the Companies.

5.3.2.4 Appropriate adjustments have been made for loan funds, value of investments, cash and cash equivalents, preferential allotment of equity shares, preference share liability, value of tax benefits due to losses and depreciation and value of surplus assets, after making adjustment of tax wherever applicable.

5.3.2.5 The equity value so arrived at is divided by the outstanding number of equity shares to arrive at the value per share.

5.4 MARKET PRICE APPROACH

5.4.1 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.

5.4.2 As stated earlier, equity shares of DMCCCL and BML are listed on BSE. Thus, under Market Price method, the weighted average price of DMCCCL and BML over an appropriate period has been considered.

6. RECOMMENDATION OF FAIR SHARE EXCHANGE RATIO

6.1 The fair basis of amalgamation of the Companies would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. Though different values have been arrived at under each of the above approaches, for the purposes of recommending a ratio of exchange it is necessary to arrive at a single value for the shares of each company. It is however important to note that in doing so, we are not attempting to arrive at the absolute values of the shares of each company.



Our exercise is to work out relative value of shares of the Companies to facilitate the determination of a ratio of exchange. For this purpose, it is necessary to give appropriate weightage to the values arrived at under each approach.

- 6.2 To arrive at relative value of DMCCCL and BML, we have considered it appropriate to give equal weights to the value determined as per the CCM Method, DCF Method and the Market Price Method.
- 6.3 The share exchange ratio has been arrived on the basis of a relative valuation of the shares of the Companies based on the methodology explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potential of the businesses of the companies, having regard to information base, management representations and perceptions, key underlying assumptions and limitations.
- 6.4 In the ultimate analysis, valuation will have to involve the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors, e.g. present and prospective competition, yield on comparable securities and market sentiments, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions. For example, Viscount Simon Bd in Gold Coast Selection Trust Ltd. vs. Humphrey reported in 30 TC 209 (House of Lords) and quoted with approval by the Supreme Court of India in the case reported in 176 ITR 417 as under:
- "If the asset takes the form of fully paid shares, the valuation will take into account not only the terms of the agreement but a number of other factors, such as prospective yield, marketability, the general outlook for the type of business of the company which has allotted the shares, the result of a contemporary prospectus offering similar shares for subscription, the capital position of the company, so forth. There may also be an element of value in the fact that the holding of the shares gives control of the company. If the asset is difficult to value, but is nonetheless of a money value, the best valuation possible must be made. Valuation is an art, not an exact science. Mathematical certainty is not demanded, nor indeed is it possible."*
- 6.5 In the light of the above and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove referred to earlier in this report,



SSPA & CO.
Chartered Accountants

in our opinion, a fair ratio of exchange in the event of amalgamation of BML with DMCCCL would be as under:

1 (One) equity share of DMCCCL of INR 10 each fully paid up for every 2 (Two) equity shares of BML of INR 10 each fully paid up

10 (Ten) equity shares of DMCCCL of INR 10 each fully paid up for every 108 (One Hundred and Eight) 8% Cumulative non-convertible preference shares of BML of INR 10 each fully paid up.

Thanking you,
Yours faithfully,

SSPA & Co



SSPA & CO.
Chartered Accountants
Firm registration number: 128851W

Signed by Parag Ved, Partner
Membership No. 102432

Place: Mumbai

V.B. Desai Financial Services Limited

Category I Merchant Banker - SEBI Registration No. INM 000002731

March 2, 2017

The Board of Directors
DHARAMSI MORARJI CHEMICAL CO.LTD.
Prospect Chambers,
317/21, Dr. D N. Road,
Mumbai - 400 001

Dear Sir,

Sub: Fairness Opinion on Valuation Report dated 02/03/2017 issued by SSPA & CO., Chartered Accountant, Mumbai certifying the Exchange Ratio in the matter of Proposed Amalgamation of **Borax Morarji Limited, ("BML" or "the Transferor Company with The Dharamsi Morarji Chemical Company Limited, ("DMCC" or "the Transferee Company")** pursuant to Scheme of Amalgamation, both companies belonging to the same promoter group

We refer to the engagement letter dated February 22, 2017 with V.B.Desai Financial Services Limited (herein after referred to as "VBD FSL"), wherein DMCC has requested us to provide fairness opinion on the Proposed Scheme of Amalgamation of **Borax Morarji Limited, ("BML" or "the Transferor Company) with The Dharamsi Morarji Chemical Company Limited, ("DMCC" or "the Transferee Company")** as required under SEBI CIRCULAR NO CIR/CFD/CMD/16/2015 dated November 30, 2015.

• **BACKGROUND OF THE COMPANIES**

○ **The Dharamsi Morarji Chemical Company Limited (DMCC or "the Transferee Company")**

The Dharamsi Morarji Chemical Company Limited, ("DMCC" or "the Transferee Company"), was originally incorporated as a public limited company under the name and style of "The Dharamsi Morarji Chemical Company Limited" on September 25, 1919 vide Corporate Identity Number L24110MH1919PLC000564 under the Indian Companies Act, VII of 1913 and having its registered office at Prospect Chambers, 317/21, D N Road, Fort, Mumbai 400001.

DMCC is primarily engaged in the business of manufacturing Sulphuric acid, oleum, Chlorosulphonic acid and other commodity chemicals as also various speciality chemicals and preparations etc. used in pigments, varnishes, dyes and dyes intermediates and drugs and pharmaceutical industry.



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V.B. Desai Financial Services Limited

Category I Merchant Banker - SEBI Registration No. INM 00002731

The Transferee Company is a listed company, having its equity shares listed on Bombay Stock Exchange

o Borax Morarji Limited, ("BML" or "the Transferor Company)

Borax Morarji Limited, ("BML" or "the Transferor Company"), was originally incorporated as a public limited company under the name and style of "Borax Morarji Limited" on August 27, 1963 under the Companies Act, 1956 vide Corporate Identity Number L24100MH1963PLC012706 with having its registered office at Prospect Chambers, 317-21, Dr D N Road, Mumbai 400001, Maharashtra

The Transferor Company is primarily engaged in the business of manufacturing and dealing in Borax and Boric Acid.

The Transferor Company is a listed company, having its equity shares listed on Bombay Stock Exchange

• SCOPE AND PURPOSE OF THIS REPORT

We have been informed that the Board of Directors of The Dharamsi Morarji Chemical Company Limited, ("DMCC" or "the Transferee Company"), is proposing a Scheme of Amalgamation between Borax Morarji Limited, ("BML" or "the Transferor Company") and The Dharamsi Morarji Chemical Company Limited, ("DMCC" or "the Transferee Company"), under section 230 to 232 read with section 52 of the companies act, 2013 and other applicable provisions of the companies act, 2013 and rules framed thereunder.

Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Transferor Company together with all the respective properties, assets, investments, liabilities, rights, benefits, interests, title or power of every kind, nature, description and obligations therein shall, pursuant to the provisions of Section 230 to 232 of the Act and in accordance with Section 2(1B) of the Income-tax Act, 1961, without any further act, deed, matter or thing, be and stand merged and transferred to and vested in and shall be deemed to be transferred to and vested in the Transferee Company on a going concern basis and shall become the property of and an integral part of the Transferee Company.

Upon the coming into effect of this Scheme and in consideration for the transfer of and vesting of the assets and liabilities of the Transferor Company into the Transferee Company pursuant to merger, the Transferee Company shall issue and allot at fair values, credited as fully paid up, to the members of the Transferor Company or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized



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V.B. Desai Financial Services Limited

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by the Board of Directors of the Transferor Company and approved by them whose names appear in the Register of Members on the Record Date as under:

In this connection, to comply with the regulatory requirements of Proposed Amalgamation the management of DMCC has appointed VBDFSLL to provide fairness opinion on the Valuation Report dated 02/03/2017 issued by SSPA & CO., Chartered Accountant, Mumbai certifying the Exchange Ratio in the matter of on the Proposed Scheme of Amalgamation from financial point of view and not on fairness or economic rationale of the Proposed Amalgamation per se.

The purpose of the opinion is to safeguard the interest of the shareholders of the DMCC and this opinion shall be made available to the Board of Directors / Shareholders/ of the DMCC to facilitate their approval to the proposed Scheme of Amalgamation and to any other relevant authority, as may be required.

This report is subject to the scope, limitations and disclaimers detailed herein after. As such the report is to be read in totality, not in parts and in conjunction with relevant documents referred to herein. This report is issued only for the purpose for facilitating the Proposed Amalgamation of DMCC with BML. THIS FAIRNESS OPINION IS RESTRICTED TO MEET THE REQUIREMENTS THE SEBI CIRCULAR NO CIR/CFD/CMD/16/2015 dated November 30, 2015 ONLY AND MAY NOT BE USED FOR ANY OTHER PURPOSE WHATSOEVER OR TO MEET THE REQUIREMENTS OF OTHER LAWS, RULES, REGULATIONS AND STATUES.

• SOURCES OF INFORMATION

We have relied on the following information in issuing this fairness opinion for the purpose of Proposed Amalgamation.

- Draft Scheme of Amalgamation of DMCC with BML duly certified by management of DMCC
- Audited financial statement of the DMCC and BML for the year ended March 31, 2016
- Valuation Report dated 02/03/2017 issued by SSPA & CO., Chartered Accountants, Mumbai certifying the Exchange Ratio
- Such other information, documents, data, reports, discussions and verbal & written explanations from DMCC as well as advisors for merger/amalgamation to DMCC, public domain websites, as were considered relevant for the purpose of the Fairness Opinion.



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V.B. Desai Financial Services Limited

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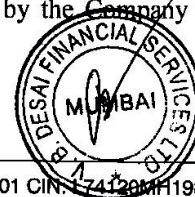
• RATIONALE OF SCHEME OF PROPOSED AMALGAMATION

We have been informed that the rationale for Proposed Amalgamation is as under:

- Since the Transferor Company is engaged in the business of manufacturing and dealing in Borax and Boric Acid and the Transferee Company is primarily engaged in the business of manufacture of acids, salts, tannin extracts, chemical, pigments, industrial and other preparations and articles, compounds, oils, paints, pigments and varnishes, drug, dyeware paint and others, the proposed amalgamation would enable the Transferee Company to focus and create a more competitive business both in scale and operations.
- The Transferee Company would develop long-term corporate strategies and financial policies with respect to the combined business and harness synergies on consolidation of business, thus enabling better management and accelerated growth of the Transferor Company.
- The proposed amalgamation and restructuring would result in the following benefits:
 - a. Operational rationalization, organizational efficiency and optimal utilization of various resources due to pooling of management, administrative and technical skills of various resources of both the companies, better administration, and cost reduction, including reduction in managerial, administrative and other common costs;
 - b. Focused attention approach on the businesses and better alignment, coordination and streamlining of day to day operations of both the companies, leading to improvement in overall working culture and environment;
 - c. Creation of value for various stakeholders and shareholders of both the companies, as a result of all of the foregoing; and
 - d. Greater administrative efficiency

• DISCLAIMER , EXCLUSIONS AND LIMITATIONS OF SCOPE

- Our opinion and analysis is limited to the extent of review of documents as provided to us by DMCC and Proposed Scheme of Amalgamation of DMCC and BML.
- We have relied upon the accuracy and completeness of all information provided to us without carrying out due diligence and independent verification or validation of such information to establish its accuracy and sufficiency. We have not conducted any independent Valuation or appraisal of any assets and liabilities of DMCC and BML. No responsibility is assumed for information furnished by the Company and such information is believed to be reliable.



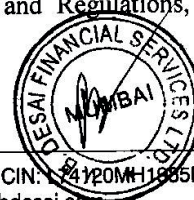
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- We have been informed that all information relevant for the purpose of issuing Fairness Opinion has been disclosed to us and we are not aware of any material information that has been omitted or remains undisclosed.
- We have relied exclusively on Valuation Report prepared and issued by SSPA & CO., Chartered Accountant without independent verification. We have not independently checked or verified the assumptions made in the valuation report.
- Our fairness opinion assumes that the title to assets and liabilities of the both companies as reflected in their respective balance sheets is intact.
- We have not conducted visit to locations of production and/or point of sales of the Company. The robustness of the analysis is highly dependent on reasonableness, commercial viability and achievability of assumptions underlying the forecast. We are not required to and have not validated the reasonableness and commercial viability underlying the forecasts and assumptions
- The realization of the projections is dependent on the continuing validity of assumptions. Our review cannot be directed to providing any assurance about the achievability of the final projections. Since projections relate to future, the actual results are likely to be different from projected results and differences may be material and it may have material impact on our conclusion. For the purpose of this report, we have assumed that the projections as envisaged by the both companies and reflected in valuation report will materialize as projected.
- We have not conducted any evaluation of solvency or fair value of the Company under any laws relating to bankruptcy, insolvency or similar matters.
- We do not express any opinion as to the price at which shares of DMCC may trade at any time including subsequent to the date of this opinion or post amalgamation.
- We do not express any opinion as to tax or other consequences that may arise from the Proposed Scheme of Amalgamation between DMCC and BML and their respective shareholders, nor does our opinion address any legal, tax regulatory or accounting matters as to which we understand that the respective companies have obtained necessary professional advice.
- Complying with the regulatory requirements for the Proposed Scheme of Amalgamation including and not limited to SEBI Rules and Regulations, Stock



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Exchange Regulations, Companies Act 1956, Companies Act 2013 and other applicable laws and regulations is the exclusive responsibility of the Board of Directors of DMCC.

- This report is prepared primarily to comply with regulatory requirements of the Proposed Scheme of Amalgamation. The report does not look into business / commercial reasons behind the Proposed Scheme of Amalgamation nor the likely benefits arising out of the same which is the exclusive responsibility of Board of Directors of the respective companies. Similarly our report does not address relative merits of the Proposed Amalgamation as compared with any other alternative business transactions or other alternatives.
- This fairness opinion at best is only an 'opinion'. This report does not express any opinion nor makes recommendation as to how the shareholders of companies should vote at any shareholders' meeting to be held in connection with the Proposed Scheme of Amalgamation. It is the prerogative of shareholders to either accept or reject our fairness opinion. The shareholders of companies may do so at their risk and responsibility after undertaking necessary due diligence and evaluation. The responsibility for any decision would remain with the decision maker i.e. shareholders.
- Prior to issuance of this Fairness Opinion, the contents and factual accuracies of this Report was reviewed and approved by the management of the Company.
- We assume no responsibility in updating or revising our opinion based on the circumstances or events accruing after the date hereof.
- This fairness opinion shall have no value if for any reasons the proposed scheme of amalgamation is terminated or called off.
- The fee for the engagement is not contingent upon the results reported.
- We owe responsibility only to the Board of Directors of DMCC as per the terms of our engagement letter and nobody else. We do not accept any liability to any shareholder, employees, tax authorities or other third parties in relation to the issue of this report. Our liability if any, under any and all circumstances shall be limited to fees received by us for undertaking this assignment.



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V.B. Desai Financial Services Limited

Category I Merchant Banker - SEBI Registration No. INM 000002731

- **VALUATION REPORT**

We have reviewed the Valuation Report dated 02/03/2017 issues by SSPA & CO., Chartered Accountants certifying the swap ratio for the proposed amalgamation between DMCC and BML.

Following methods are used to value both transferor and transferee.

- Discounted Cash Flow Method
- Market Price Approach
- Comparable Companies Multiple Method

After valuing both companies individually, SSPA & CO., Chartered Accountants have arrived at swap ratio of 1:2 i.e. 22,59,849 equity shares of DMCC for 45,19,698 equity Shares of BML. According to the principles of equity market hypothesis, everything is generally factored in market price. Assuming that only market price method was to be used to the exclusion of other methods, the swap ratio between the Transferee Company and the Transferor Company will still be 1:2.

Further, SSPA & CO., Chartered Accountants have arrived at swap ratio of 108:10 i.e., 8,33,333 equity shares of DMCC for 90,00,000 8% Cumulative Non-Convertible preference shares of BML.

- **OPINION**

Based on the facts and circumstances of the case and according to information and explanation provided to us together with exclusions & limitations mentioned herein above, we state that in our opinion and to the best of our information and knowledge, Exchange Ratio as recommended by SSPA & CO., Chartered Accountants, for the Proposed Scheme of Amalgamation seems fair and reasonable purely from financial point of view.

Thank You,

For V B Desai Financial Services Limited


Pradip Shroff

Managing Director



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REPORT OF THE BOARD OF DIRECTORS OF THE DHARAMSI MORARJI CHEMICAL COMPANY LIMITED ON THE SCHEME OF ARRANGEMENT BETWEEN BORAX MORARJI LIMITED (“BML” OR “THE TRANSFEROR COMPANY” OR “THE COMPANY”) AND THE DHARAMSI MORARJI CHEMICAL COMPANY LIMITED (“DMCC” OR “THE TRANSFEREE COMPANY”) AND THEIR RESPECTIVE SHAREHOLDERS (“THE SCHEME”)

1. Background:

- 1.1 A meeting of the Board of Directors (‘Board’) of The Dharamsi Morarji Chemical Company Limited was held on March 2, 2017 to consider and recommend the proposed Scheme of Arrangement between Borax Morarji Limited (“BML” or “the Transferor Company” or “the Company”) and The Dharamsi Morarji Chemical Company Limited (“the Transferee Company” or “DMCC”) and their respective shareholders (“the Scheme”).
- 1.2 In terms of section 232(2)(c) of Companies Act, 2013, a report from the Board of the Company explaining the effect of the compromise on each class of shareholders, key managerial personnel, promoters, and non-promoter shareholders has to be appended with the notice of the meeting of shareholders and creditors. Further the said report has to specify any special valuation difficulties, if any in the valuation. This report of the Board is made in order to comply with the requirements of section 232(2)(c) of Companies Act, 2013.
- 1.3 While deliberating on the Scheme, the Board had, *inter-alia*, considered and took on record following necessary documents (‘Documents’):
 - a. Draft Scheme of Arrangement between BML and DMCC and their respective shareholders;
 - b. Valuation Report dated March 2, 2017 issued by SSPA & Co. on the proposed amalgamation of Borax Morarji Limited with The Dharamsi Morarji Chemical Company Limited;
 - c. Fairness Opinion dated March 2, 2017 issued by M/s V.B. Desai Financial Services Limited on the proposed amalgamation of Borax Morarji Limited with The Dharamsi Morarji Chemical Company Limited.

2. The object and rationale for the Scheme is as under:

- 2.1 The Scheme, *inter-alia*, provides for the following:
 - a. The Scheme provides for merger of the Transferor Company into the Transferee Company, pursuant to the applicable provisions of the Act and/or any other Applicable Laws.
 - b. The Transferee Company shall, issue and allot shares (as defined in the scheme) to all the shareholders of the Transferor Company as consideration for the merger
- 2.2 Currently, the Transferor Company is, *inter alia*, engaged in the business of manufacturing and dealing in Borax and Boric Acid. The Transferee Company is primarily engaged in the business of manufacture of acids, salts, tannin extracts, chemical, pigments, industrial and other preparations and articles, compounds, oils, paints, pigments and varnishes, drug, dyeware paint and others.
- 2.3 The proposed amalgamation would enable the Transferee Company to focus and create a more competitive business both in scale and operations. The Transferee Company would develop long-term corporate strategies and financial policies with respect to the combined business and harness synergies on consolidation of business, thus enabling better management and accelerated growth of the Transferor Company.
- 2.4 The proposed amalgamation and restructuring would result in the following benefits:

- c. Operational rationalization, organizational efficiency and optimal utilization of various resources due to pooling of management, administrative and technical skills of various resources of both the companies, better administration, and cost reduction, including reduction in managerial, administrative and other common costs;
- d. Focused attention approach on the businesses and better alignment, coordination and streamlining of day to day operations of both the companies, leading to improvement in overall working culture and environment;
- e. Creation of value for various stakeholders and shareholders of both the companies, as a result of all of the foregoing; and
- f. Greater administrative efficiency

3. **Valuation**

The Reports on valuation have been obtained from SSPA & Co., an independent valuer. The valuations have been arrived at based on the various methodologies explained in the Report and various qualitative factors relevant to the business and the business dynamics and growth potentials of the business, having regard to information base, key underlying assumptions and limitations.

The valuation report states that a fair ratio of exchange in the event of amalgamation of BML with DMCC would be as under:

For Equity Shareholders of BML:

1 (One) equity share of DMCC of INR 10 each fully paid up for every 2 (Two) equity shares of BML of INR 10 each fully paid up

For Preference Shareholders of BML:

10 (Ten) equity shares of DMCC of INR 10 each fully paid up for every 108 (One Hundred and Eight) 8% Cumulative non-convertible preference shares of BML of INR 10 each fully paid up.

The Management is of the view that the same is fair and reasonable and in the interest of the shareholders.

Impact on key stakeholders

Pursuant to the scheme, the company would merge into the Transferee and will generate synergies, thereby having a positive impact on the financial and operating condition of the company. The scheme is expected to add value to the stakeholders.



THE DHARAMSI MORARJI CHEMICAL CO. LTD.

CIN NUMBER : L24110MH1919PLC000564



Sec.25/2017/42
26th May, 2017

INDUPLICATE

The Secretary,
The Stock Exchange , Mumbai,
1st Floor, Rotunda Building,
B.S. Marg, Fort,
Mumbai 4 00 001.

Scrip Code: 506405
Kind Attn: MR. Subramanian, DCS –CRD

Dear Sir,

Sub: Audited Financial Results for the quarter(January, 2017 to March, 2017) and year ended 31st March, 2017 and Form B

This is to inform you that the Board of Directors at its Meeting held on Friday, 26th May, 2017 have approved the audited financial result for the quarter and the year ended 31st March, 2017. Accordingly, in terms of Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we enclose the following:

- i. Auditor's Report on audited financial results.
- ii. Financial Results for the quarter/twelve months ended 31st March, 2017.
- iii. Statement of Assets and Liabilities.
- iv. Form B- Pursuant to clause 31(a) of the Listing Agreement.

We will also be releasing the same to the Press for publishing it at the earliest.

Thanking You,
For The Dharamsi Morarji Chemical Company Limited

D.T.Gokhale
Company secretary.

Encl: as above.

REGD. OFFICE : PROSPECT CHAMBERS, 317/21, DR. D. N. ROAD, FORT, MUMBAI - 400 001. INDIA
Phones : 2204 8881-2-3 Fax : 2281 3657 / 2285 2232
E-mail ID: esale@dmcc.com / info@dmcc.com / purchase@dmcc.com / corporate@dmcc.com
Website : www.dmcc.com

K. S. AIYAR & CO

CHARTERED ACCOUNTANTS

F-7 Laxmi Mills
Shakti Mills Lane (Off Dr E Moses Rd)
Mahalaxmi Mumbai 400 011 India
Tel : 91 22 2493 2502 / 6655 1770
Fax : 91 22 6655 1774
Grams : VERIFY
www.KSAiyar.com
Mail@KSAiyar.com

Auditor's Report on Quarterly Financial Results and Year to date Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To

The Board of Directors

THE DHARAMSI MORARJI CHEMICAL COMPANY LIMITED

1. We have audited the quarterly financial results of **THE DHARAMSI MORARJI CHEMICAL COMPANY LIMITED** ('the Company') for the quarter ended 31st March, 2017 and the financial results for the year ended on 31st March, 2017 attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This statement is the responsibility of the Company's management.

The financial results for the quarter ended on 31st March, 2017 have been prepared on the basis of the financial results for the nine months period ended 31st December, 2016, the audited annual financial statements as at and for the year ended on 31st March, 2017 and the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The quarterly financial results are the derived figures between the audited figures in respect of the year ended 31st March, 2017 and the published year to date figures up to 31st December, 2016 being the date of the end of the third quarter of the current financial year which were subject to limited review.

Our responsibility is to express an opinion on these financial results based on (a) our review of the financial results for the nine months period ended on 31st December, 2016 which was prepared in accordance with the recognition and measurement principles laid down in Accounting Standard – 25, Interim Financial Reporting specified under section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India (b) our audit of the annual financial statements as at and for the year ended on 31st March, 2017 and (c) the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. We conducted our audit in accordance with the Standards on Auditing generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free from material misstatement.

An audit includes examining on a test basis, evidence supporting the amounts disclosed in financial results. An audit also assessing the accounting principles used and significant estimates made by management.

Offices also at
Chennai Kolkata
Bangaluru Coimbatore Hyderabad

We believe that our audit provides a reasonable basis for our opinion.

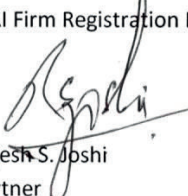
Basis for Qualified Opinion

The Company had recognized net deferred tax asset in earlier years aggregating to Rs.2654.15 Lacs till 31st March, 2009 considering unabsorbed loss up to 31st March, 2008 and unabsorbed depreciation up to 31st March, 2009. For subsequent financial period, further net deferred tax asset has not been recognized in view of management's perceptions and reasons detailed in Note No.2. During the year the Company has reversed Rs.400 Lakhs. We are not in a position to opine on the realisability of the said remaining net deferred tax asset of Rs.2254.15 Lakhs. Consequently, the Accumulated Losses as at the year-end would have been higher by Rs.2254.15 Lacs.

3. In our opinion and to the best of our information and according to the explanations given to us and except for the possible effects of the matters described in the Basis for Qualified Opinion Paragraph, these quarterly financial results as well as the year to date results are
 - (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and
 - (ii) give a true and fair view of the net profit and other financial information for the quarter and the year ended on 31st March, 2017.

4. Further, read with Paragraph 1 above, we report that the figures for the quarter ended 31st March, 2017 represent the derived figures between the audited figures in respect of the financial year ended 31st March, 2017 and the published year to date figures up to 31st December, 2016 being the date of the end of the third quarter of the current financial year which were subjected to limited review as stated in paragraph 1 above, as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For K.S.Aiyar & Co;
Chartered Accountants;
ICAI Firm Registration No. 100186 W


Rajesh S. Joshi
Partner
M. No. 38526

Place: Mumbai
Date: 26th May, 2017

THE DHARAMSI MORARJI CHEMICAL CO. LTD.

Regd office: Prospect Chamber, 317/321, Dr. D.N. Road, Fort, Mumbai - 400 001
Telephone: -22048881-2-3, Email ID: corporate@dmcc.com, Website: www.dmcc.com
(CIN : L24110MH1919PLC000564)

Audited Financial Results for the quarter / year ended 31-03-2017

Rs. In Lakhs

Sr. No.	Particulars	Quarter ended	Quarter ended	Quarter ended	Quarter ended	Year ended	Year ended
		31.03.2017 Audited	31.12.2016 Unaudited	31.03.2016 Audited	31.03.2017 Audited	31.03.2016 Audited	31.03.2017 Audited
1	Revenue form Operations	3668.65	3317.11	3058.45	14023.95	10760.36	
	Other Income	12.67	3.31	14.09	32.97	42.75	
	Total Revenue	3681.32	3320.42	3072.54	14056.92	10803.11	
2	Expenses						
	a. Cost of materials consumed	1676.99	1594.40	1398.31	6507.67	5657.27	
	b. Purchase of traded goods	-	-	0.99	100.87	21.85	
	c. Changes in inventories of finished goods, WIP and stock-in-trade	42.36	121.71	200.91	126.32	(40.10)	
	d. Power & Fuels	165.71	155.14	121.88	609.76	532.15	
	e. Repairs to Plant & Machinery and Buildings	109.33	134.18	225.61	537.03	612.72	
	f. Employees benefits expense	270.74	275.52	213.30	1082.04	783.77	
	g. Finance cost	29.01	50.74	47.58	164.21	116.04	
	h. Depreciation	75.19	69.23	60.44	285.13	225.83	
	i. Other expenditure	650.50	341.33	390.80	2007.02	1579.03	
	Total Expenses	3019.83	2742.25	2659.82	11400.05	9488.56	
3	Profit/(Loss) from exceptional and Extra Ordinary Items and Tax (1-2)	661.49	578.17	412.72	2656.87	1314.55	
4	Exceptional items	0.00	0.00	0.00	0.00	0.00	
5	Profit/(Loss) before Extra Ordinary Items and Tax (3+/-4)	661.49	578.17	412.72	2656.87	1314.55	
6	Extra Ordinary Items	0.00	0.00	0.00	0.00	0.00	
7	Profit/(Loss) after Extra Ordinary Items and before Tax (5+/-6)	661.49	578.17	412.72	2656.87	1314.55	
8	Tax expense						
	A) MAT	142.59	123.29	117.38	567.02	117.38	
	B) Deferred tax w/ off (Note 3)	100.00	100.00	0.00	400.00	0.00	
9	Net Profit/(Loss) after tax (7+/- 8)	418.90	354.88	295.34	1689.85	1197.17	
10	Extraordinary Item (Net of Tax Expenses)	0.00	0.00	0.00	0.00	0.00	
11	Net Profit/(Loss) for the period(9 +/- 10)	418.90	354.88	295.34	1689.85	1197.17	
12	Paid up share capital (Note 2)						
	a) Equity shares- Rs. 10/- each fully paid up.	2,184.68	2,184.68	2,125.78	2,184.68	2,125.78	
	b) Preference shares- Rs. 100/- each fully paid up.	280.00	280.00	880.00	280.00	880.00	
13	Reserve excluding Revaluation Reserves						
	Earnings Per Share (before and after extraordinary items) (of Rs. 10 each)(Not annualised) (Note 1)	1.94	1.65	1.31	7.84	5.32	



Notes forming part of the above results are annexed



For The Dharamsi Morarji Chemical Co.Ltd.,

B. L. Goculdas

B. L. Goculdas
Chief Executive Officer

Mumbai, 26th May 2017



The Dharamsi Morarji Chemical Co. Ltd.

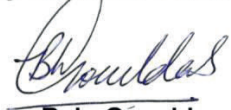
STATEMENT OF ASSETS & LIABILITIES AS ON 31.03.2017

Rs. In LaKHS

PARTICULARS	AUDITED	AUDITED
	31.03.2017	31.03.2016
A. EQUITY AND LIABILITIES		
1. Shareholders' funds		
a) Share Capital	2,464.67	3,005.78
b) Reserves and surplus	3,489.96	1,259.00
SubTotal- Shareholders' Funds	5,954.63	4,264.78
2. Non - Current Liabilities		
a) Long term borrowings	473.54	1,543.18
b) Other long term liabilities	66.35	66.35
c) Long term provisions	137.80	174.09
SubTotal- Non Current Liabilities	677.69	1,783.62
3. Current Liabilities		
a) Short term borrowings		
b) Trade payables	1,191.08	1,684.05
c) Other current liabilities	1,960.69	1,533.73
d) Short term provisions	180.61	163.08
SubTotal-Current Liabilities	3,332.38	3,380.86
TOTAL - EQUITY AND LIABILITIES	9,964.70	9,429.26
B. Assets		
1. Non current Assets		
a) Fixed Assets	3,449.97	3,055.85
b) Non - Current Investments	38.08	38.08
c) Deferred tax assets (net)	2,254.15	2,654.15
d) Long term loans and advances	166.28	166.22
SubTotal- Non Current Assets	5,908.48	5,914.30
2. Current Assets		
a) Inventories	1,075.75	1,525.39
b) Current Investment	150.00	-
c) Trade receivables	1,874.98	1,296.86
d) Cash and cash equivalents	542.67	335.26
e) Other current Assets	412.82	357.45
SubTotal - Current Assets	4,056.22	3,514.96
TOTAL - ASSETS	9,964.70	9,429.26

For The Dharamsi Morarji Chemical Co.Ltd.,


B. L. Goculdas
 Chief Executive Officer

Mumbai, 26th May 2017

Notes:

1. Earning per Equity Share (EPS) indicated in the Financial Results is calculated after considering the applicable dividend in respect of the Cumulative Non-Convertible Redeemable Preference Shares (including the applicable Corporate Dividend Tax thereon), in accordance with the Accounting Standard on Earning Per Share (AS-20)
2. The Company has during the quarter issued 588930 Equity Shares of Rs. 10/- each at a premium of Rs. 91.88 per Equity Shares on preferential basis to the Promoters. The Company has redeemed its Preference Shares of Rs 600.00 Lakhs at its face value during the quarter out of the proceeds from fresh issue of Equity Shares. Accordingly Earning per Equity Share (EPS) indicated in the Financial Results is calculated on weighted average number of Shares during the period and after considering the applicable dividend in respect of the outstanding Cumulative Non-Convertible Redeemable Preference Shares of Rs. 280.00 Lakhs (including the applicable Corporate Dividend Tax thereon), in accordance with the Accounting Standard on Earning Per Share (AS-20).
3. As regards the Auditors' observation in their report on the Audited Accounts of the Company for the Financial Year ended March 31, 2017 regarding recognition of "Deferred Tax Asset" amounting to Rs.2654.15 Lacs (considering Unabsorbed Business Losses up to 31.03.2008 & Unabsorbed Depreciation up to 31.03.2009), the Company expects significant profits based on the enhanced future earnings. This will result in utilization of Deferred Tax Asset.

In line with the above, Company has commenced utilisation of the Deferred Tax Asset to the extent of Rs. 400.00 Lacs during the year ended 31.03.2017.

4. The Company has filed the Scheme of Arrangement / Amalgamation between The Dharamsi Morarji Chemical Company Limited (DMCC) and Borax Morarji Limited (BML) with regulatory authorities, pursuant to the Resolution passed by the Board of Directors at their meeting held on 2nd March 2017. The approvals of the Regulatory authorities are awaited.
5. The Company is engaged in the chemicals business only and therefore, there is only one reportable segment in accordance with the Accounting Standard on Segment Reporting (AS-17).
6. The above Audited Financial Results were reviewed and recommended by the Audit Committee and have been approved by the Board of Directors of the Company at their meeting held on 26th May, 2017.
7. Previous quarter's / year's figures have been re-grouped/rearranged, wherever necessary.





THE DHARAMSI MORARJI CHEMICAL CO. LTD.

CIN NUMBER : L24110MH1919PLC000564



FORM B

1	Name of the Company	The Dharamsi Morarji Chemical Company Limited																																					
2	Annual Financial statements for the year ended	31 st March, 2017																																					
3	Type of Audit qualification	Qualified																																					
4	Frequency of qualification	Repetitive w.e.f. 31.3.2007 onwards.																																					
5	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	<p><i>"Auditors' observation" (in quotes) :</i></p> <p><i>"The Company had recognized net deferred tax asset in earlier years aggregating to Rs.2654.15 lacs till 31st March, 2009, considering unabsorbed loss upto 31st March, 2008 and unabsorbed depreciation up to 31st March, 2009. For the subsequent financial periods, further net deferred tax asset has not been recognized in view of management's perceptions and reason detailed in Note No.V(c). During the year the Company has reversed Rs.400 Lakhs. We are not in a position to opine on the realisability of the said remaining net deferred Tax Asset of Rs.2254.15 Lakhs. Consequently, the Accumulated losses as at the year-end would have been higher by Rs.2254.15 Lakhs".</i></p> <p>Management Response:</p> <p>Deferred Tax Assets (Net) The break-up of the Deferred Tax Liability / (Deferred Tax asset) as on 31.03.2017 and 31.03.2016, recognized by the Company in the books of account, is as follows :</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>As at 31-03-2017 Rs. In Lacs</th> <th>As at 31-03-2016 Rs. In Lacs</th> </tr> </thead> <tbody> <tr> <td>Deferred Tax Liabilities :</td> <td></td> <td></td> </tr> <tr> <td>Difference between book and tax depreciation</td> <td>1611.05</td> <td>1611.05</td> </tr> <tr> <td>Others</td> <td>221.90</td> <td>221.90</td> </tr> <tr> <td>Total</td> <td>1832.95</td> <td>1832.95</td> </tr> <tr> <td>Deferred Tax Assets :</td> <td></td> <td></td> </tr> <tr> <td>Unabsorbed depreciation/Business loss</td> <td>3610.68</td> <td>3610.68</td> </tr> <tr> <td>Others</td> <td>876.42</td> <td>876.42</td> </tr> <tr> <td>Total</td> <td>4487.10</td> <td>4487.10</td> </tr> <tr> <td></td> <td>(2654.15)</td> <td>(2654.15)</td> </tr> <tr> <td>Less: Reversed during the year</td> <td>400.00</td> <td>-</td> </tr> <tr> <td>Net Deferred Tax Liabilities / (Deferred Tax Assets) :</td> <td>(2254.15)</td> <td>(2654.15)</td> </tr> </tbody> </table>		Particulars	As at 31-03-2017 Rs. In Lacs	As at 31-03-2016 Rs. In Lacs	Deferred Tax Liabilities :			Difference between book and tax depreciation	1611.05	1611.05	Others	221.90	221.90	Total	1832.95	1832.95	Deferred Tax Assets :			Unabsorbed depreciation/Business loss	3610.68	3610.68	Others	876.42	876.42	Total	4487.10	4487.10		(2654.15)	(2654.15)	Less: Reversed during the year	400.00	-	Net Deferred Tax Liabilities / (Deferred Tax Assets) :	(2254.15)	(2654.15)
Particulars	As at 31-03-2017 Rs. In Lacs	As at 31-03-2016 Rs. In Lacs																																					
Deferred Tax Liabilities :																																							
Difference between book and tax depreciation	1611.05	1611.05																																					
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	(2654.15)	(2654.15)																																					
Less: Reversed during the year	400.00	-																																					
Net Deferred Tax Liabilities / (Deferred Tax Assets) :	(2254.15)	(2654.15)																																					


REGD. OFFICE : PROSPECT CHAMBERS, 317/21, DR. D. N. ROAD, FORT, MUMBAI - 400 001. INDIA

Phones : 2204 8881-2-3 Fax : 2281 3657 / 2285 2232

E-mail ID: esale@dmcc.com / info@dmcc.com / purchase@dmcc.com / corporate@dmcc.com

Website : www.dmcc.com



		<p>The Company's Export business over the last three years has been steadily growing. This has been possible due to appropriate marketing efforts coupled with quality consciousness on the part of the Company. The focused R & D activity to identify and develop relevant products meeting high quality standards has always remained vital to the Company's business and efforts are undertaken to spread this message across the customer base both abroad as well as domestic. The Company is confident of improving the current growth rate substantially in overseas business in addition to consolidating the domestic market both in Specialty and Bulk chemicals. In the near term, the Company expects to achieve this objective by making use of the available unutilized capacity as well as building up additional capacity. The marketing team is also being strengthened. Consequently, there is virtual certainty of realization of "Deferred Tax asset" mainly resulting from unabsorbed depreciation and carried forward losses. Accordingly, the recognized "Deferred Tax Asset" of Rs.2654.15 Lacs as at 31.03.2009. During the year, Rs.400 Lakhs Deferred Tax Assets written off.</p>
6	Additional comments from the board/audit committee chairman	Nil
7	To be signed by:- CEO CFO Auditor of the Company Audit Committee Chairman	<p>For The Dharamsi Morarji Chemical Co. Ltd,</p> <p><i>Bimal L. Goculdas</i> Bimal L. Goculdas Chief Executive Officer</p> <p><i>D. K. Sundaram</i> D. K. Sundaram Chief Finance Officer</p> <p><i>[Signature]</i> [Signature] [Signature]</p> <p><i>[Signature]</i> [Signature]</p> 

Place: Mumbai
Date : 26/05/2017



THE DHARAMSI MORARJI CHEMICAL CO. LTD.

CIN NUMBER : L24110MH1919PLC000564



Responsible Care
OUR COMMITMENT TO SUSTAINABILITY

Annexure III

Complaints Report

Details of complaints received from 21st March, 2017 to 11th April, 2017 for the proposed Scheme of Arrangement between Borax Morarji Limited and Dharamsi Morarji Chemical Company Limited and their respective shareholders ("Scheme").

Part A

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

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
NA	NA	NA	NA

For Dharamsi Morarji Chemical Company Limited

D.T. Gokhale
D.T. Gokhale 12/4/17
Executive Vice President &
Company Secretary



REGD. OFFICE : PROSPECT CHAMBERS, 317/21, DR. D. N. ROAD, FORT, MUMBAI - 400 001. INDIA

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Website : www.dmcc.com

DCS/AMAL/SD/R37/801/2017-18

May 31, 2017

The Company Secretary
Dharamsi Morarji Chemical Company Ltd
317 / 21 Prospect Chambers,
Dr. D N Road, Mumbai,
Maharashtra- 400001

Sir,

Sub: Observation letter regarding the Draft Scheme of Arrangement between Borax Morarji Ltd and Dharamsi Morarji Chemical Company Ltd and their respective shareholders and creditors.

We are in receipt of Draft Scheme of Arrangement between Borax Morarji Ltd and Dharamsi Morarji Chemical Company Ltd and their respective shareholders and creditors filed as required under SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015; SEBI vide its letter dated May 26, 2017, has inter alia given the following comment(s) on the draft scheme of arrangement:

- “Company shall ensure that the undertaking submitted pertaining to voting by public shareholders is incorporated in the scheme prior to filing the scheme with NCLT.”
- “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.

: 2 :

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. Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble NCLT, the listed company shall submit to the stock exchange the following:

- Copy of the NCLT approved Scheme;
- Result of voting by shareholders for approving the Scheme;
- Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
- Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
- Status of compliance with the Observation Letter/s of the stock exchanges;
- The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- Complaints Report as per Annexure II of this Circular.
- Any other document/disclosure as informed by the Exchange.

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,


Nitin Pujari
Manager

PROXY FORM

The Dharamsi Morarji Chemical Company Limited

CIN: L24110MH1919PLC000564

Registered Office: Prospect Chambers, 317/321, Dr. D N Road, Fort, Mumbai 400001

Tel: +91 2204 8881, Fax: +91 2281 3657

E-mail: dgokhale@dmcc.com

Website: www.dmcc.com

Before the National Company Law Tribunal Bench at Mumbai Company Scheme Application No. 730 of 2017

In the matter of the Companies Act, 2013 (18 of 2013);

AND

In the matter of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013
and Rules framed thereunder as in force from time to time;

AND

In the matter of Scheme of Arrangement between Borax Morarji Limited
("BML" or "the Transferor Company")

AND

The Dharamsi Morarji Chemical Company Limited,
("DMCC" or "the Transferee Company")

AND

Their respective shareholders

The Dharamsi Morarji Chemical Company Limited, a company incorporated under the Companies Act, VII of 1913 having its registered office at Prospect Chambers, 317/321, Dr.D N Road, Fort, Mumbai 400001

Applicant Company

Name of the member(s)	:	
Registered address	:	
E-mail ID	:	
Folio No. /DP ID & Client ID*	:	
No. of shares held	:	

* Applicable in case shares are held in electronic form.

I/We, being the member(s) of [_____] preference shares of the **The Dharamsi Morarji Chemical Company Limited**, hereby appoint

1. Name : _____ Email-ID: _____

Address : _____

Signature: _____, or failing him

2. Name : _____ Email-ID: _____

Address : _____

Signature: _____, or failing him

3. Name : _____ Email-ID: _____

Address : _____

Signature: _____, or failing him

as my / our proxy, to act for me/ us at the National Company Law Tribunal convened Meeting of the Equity Shareholders to be held on Monday, August 28, 2017 at 2.00 PM IST at Indian Merchants' Chamber, Conference Hall (Walchand Hirachand Hall), IMC Marg, Churchgate, Mumbai 400 020, for the purpose of considering and if thought fit, approving, with or without modification(s), the Scheme of Arrangement between Borax Morarji Limited and The Dharamsi Morarji Chemical Company Limited and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 at such meeting and any adjournment or adjournments thereof, to vote, for me/us and in my/our name(s).....(here, if for, insert 'FOR', or if against, insert 'AGAINST' and in the latter case strike out the words 'EITHER WITH OR WITHOUT MODIFICATIONS' after the word resolution) the said arrangement embodied in the Scheme and the resolution, either with or without modification(s)*, as my/our proxy may approve.

*strike out whatever is not applicable

Signed this ____ day of _____ 2017

Signature of Shareholder(s)

Signature of Proxy Holder(s)

Notes:

1. This form in order to be effective must be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not later than 48 hours before the commencement of the meeting.
2. Please affix revenue stamp before putting signature.
3. Alterations, if any, made in the Proxy Form should be initialed.
4. In case of multiple proxies, the Proxy later in time shall be accepted.
5. Proxy need not be shareholder of the Company.
6. If you are a body corporate, as the shareholder, a copy of the resolution of the Board of Directors or the Governing Body authorizing such a person to act as its representative/proxy at the Meeting and certified to be a true copy by a director, the manager, the secretary or any other authorised officer of such Body Corporate should be lodged with the Applicant Company at its registered office not later the 48 (Forty Eight) hours before the Meeting.
7. A person can act as a proxy on behalf of Members not exceeding 50 (fifty) and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person a Member.

The Dharamsi Morarji Chemical Company Limited

CIN: L24110MH1919PLC000564

Registered Office: Prospect Chambers, 317/321, Dr. D N Road, Fort, Mumbai 400001

Tel: +91 2204 8881, Fax: +91 2281 3657

E-mail: dgokhale@dmcc.com

Website: www.dmcc.com

ATTENDANCE SLIP

TRIBUNAL CONVENED MEETING ON MONDAY, AUGUST 28, 2017 AT 2:00 PM IST

Folio No. / DP ID & Client ID*	
No. of shares held	

* Applicable in case shares are held in electronic form.

I/ We certify that I/ We am/ are registered shareholder/ proxy for the registered shareholder of the Company.

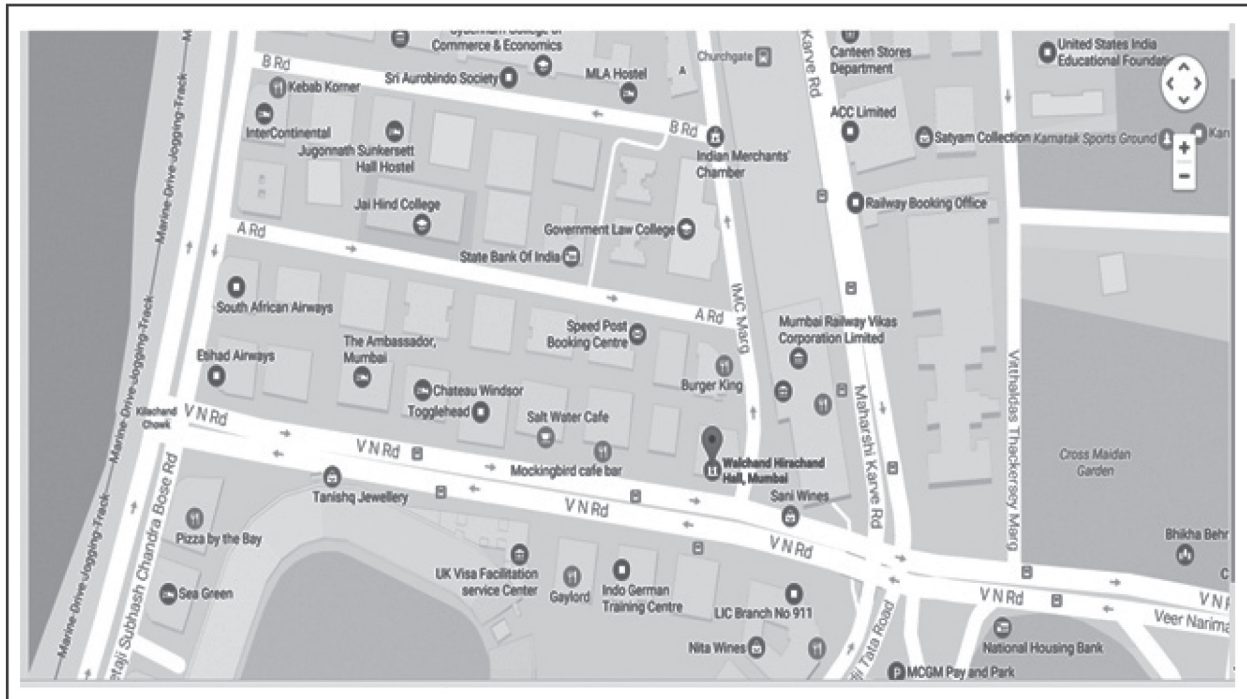
I/ We hereby record my presence at the TRIBUNAL CONVENED MEETING of the Company to be held on Monday, August 28, 2017 at Indian Merchants' Chamber, Conference Hall (Walchand Hirachand Hall), IMC Marg, Churchgate, Mumbai 400 020 at 2:00 PM IST.

Shareholder's / Proxy's name in BLOCK letters

Signature of Shareholder /Proxy

Note: Please fill in the attendance slip and hand it over at the entrance of the Meeting Hall. Joint Shareholder(s) may obtain additional attendance slip at the venue of the meeting.

Route Map



Land Mark: The AGM Venue viz. Walchand Hirachand Hall, is just opposite to the Churchgate Railway Station, Fort, Mumbai.