

Ref: DIL:DIL/BSE/2018-19/F.No.:S-23/ DE05

June 21, 2018

**Corporate Relations
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001.**

Dear Sir,

Sub.: Outcome of Board Meeting - Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Ref: Scrip Code: 506414.

This is to inform you that the Board of Directors of the Company ('Board') at its meeting held on June 21, 2018 has, inter alia, approved the Scheme of Amalgamation ('Scheme') under Sections 230-232 and other applicable provisions of the Companies Act, 2013 between the Company and its subsidiary company, Fermenta Biotech Limited, subject to other necessary statutory approvals including the approval of the National Company Law Tribunal Bench at Mumbai.

Other requisite details regarding the proposed Amalgamation in terms of SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015 are provided in Annexure 1.

The Board meeting commenced at 12.30 pm and concluded at 3.50 pm.

Thanking you,

Yours faithfully,
for **DIL LIMITED**

Srikant N Sharma
Company Secretary
CS Membership No: F3617
A-1601, Thane One, DIL Complex, Majiwade, Thane (W) 400610

Encl: As above

Annexure 1

Details of Amalgamation

Sr. No.	Items	Details																
1	Name of the entity(ies) forming part of the amalgamation/ merger, details in brief such as, size, turnover etc	<div>Transferee Company: DIL Limited (DIL)</div> <table><tr><td>Authorised capital (As on March 31, 2018): **</td><td>49,20,000 Equity shares of Rs. 10 each 80,000 Unclassified shares of Rs. 10 each</td></tr><tr><td>Paid-up share capital (As on March 31, 2018):**</td><td>22,93,198 Equity shares of Rs. 10 each</td></tr><tr><td>Total revenue (FY 2017-18):</td><td>Rs.1,288.82 lakhs</td></tr><tr><td>Net profits/(Loss): (FY 2017-18):</td><td>(Rs. 2,415.47 lakhs)</td></tr></table> <p>**: Subject to members' approval, the Board of directors of DIL Limited at its meeting held on June 18, 2018 approved: (a) split/sub division of share from face value of Rs. 10/- each to face value of Rs. 5/- each; and (b) issue of bonus equity shares in the proportion of 1:1, having face value of Rs. 5/- each.</p> <div>Transferor Company: Fermenta Biotech Limited (FBL), subsidiary of DIL</div> <table><tr><td>Authorised capital (As on March 31, 2018):</td><td>1,90,10,000 Equity shares of Rs. 10 each 9,90,000 Unclassified shares of Rs. 10 each</td></tr><tr><td>Paid-up share capital (As on March 31, 2018):</td><td>1,81,92,844 Equity shares of Rs. 10 each</td></tr><tr><td>Total revenue (FY 2017-18):</td><td>Rs. 30,048.82 lakhs</td></tr><tr><td>Net profits: (FY 2017-18):</td><td>Rs. 7,213.21 lakhs.</td></tr></table> <p>DIL holds 91.20% share capital of FBL.</p>	Authorised capital (As on March 31, 2018): **	49,20,000 Equity shares of Rs. 10 each 80,000 Unclassified shares of Rs. 10 each	Paid-up share capital (As on March 31, 2018):**	22,93,198 Equity shares of Rs. 10 each	Total revenue (FY 2017-18):	Rs.1,288.82 lakhs	Net profits/(Loss): (FY 2017-18):	(Rs. 2,415.47 lakhs)	Authorised capital (As on March 31, 2018):	1,90,10,000 Equity shares of Rs. 10 each 9,90,000 Unclassified shares of Rs. 10 each	Paid-up share capital (As on March 31, 2018):	1,81,92,844 Equity shares of Rs. 10 each	Total revenue (FY 2017-18):	Rs. 30,048.82 lakhs	Net profits: (FY 2017-18):	Rs. 7,213.21 lakhs.
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2	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length"	In terms of General Circular No. 30/2014 dated July 17, 2014, issued by the Ministry Of Corporate Affairs, the proposed amalgamation would not be considered as related party transaction (RPT). However, in terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the proposed amalgamation would be considered as RPT. The proposed amalgamation is subject to the approval of National Company Law Tribunal Bench at Mumbai (NCLT) and approval of members and creditors as may be directed by NCLT. The proposed amalgamation is being done at an arm's length basis.
3	Area of business of the entity(ies)	DIL is engaged in manufacturing and marketing of bulk drugs through its subsidiary, FBL and renting of properties. FBL is engaged in manufacturing and marketing of bulk drugs and enzymes.
4	Rationale for amalgamation	The Transferee Company is holding 91.20% equity stake in the Transferor Company. In order to consolidate and effectively manage the Transferor Company and the Transferee Company in a single entity and to achieve, inter-alia, economies of scale and efficiency, the merger is being undertaken. The amalgamation of the Transferor Company with the Transferee Company would, inter alia, have the following benefits: (a) Amalgamation to be value accretive to the shareholders of the Transferee Company as the shareholders would have directly access to the core business of the Group; (b) Greater integration and greater financial strength and flexibility for the amalgamated entity, which would result in maximising overall shareholder value; (c) Greater efficiency in cash management of the group and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize shareholder value; (d) Improved organizational capability and leadership, arising from the pooling of human capital having diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry; (e) Cost savings are expected to flow from more focused operational efforts, rationalization, standardisation and simplification of business

		<p>processes, and the elimination of duplication, and rationalization of administrative expenses;</p> <p>(f) Reduction in the multiplicity of legal and regulatory compliances required at present to be separately carried out by the Transferor Company and the Transferee Company;</p> <p>(g) To optimally leverage the larger assets base and cash flow of the amalgamated entity;</p> <p>(h) Amalgamation will result in the Transferee Company directly controlling and managing the business of Transferor Company which would lead to simplification of the shareholding structure and reduction of shareholding tiers; and</p> <p>(i) To meet the covenants for taking loan facility and to avail the incentivised reduction in the interest rates from lenders in respect of the borrowing of the Transferor and Transferee Companies.</p>												
5	In case of cash consideration – amount or otherwise share exchange ratio	<p>(i) There is no cash consideration.</p> <p>(ii) 100 equity shares of DIL of Rs. 10 each fully paid up for every 1,006 equity shares of FBL of Rs. 10 each fully paid up#</p> <p><i># Subject to members' approval, the Board of directors of DIL Limited at its meeting held on June 18, 2018 approved: (a) split/sub division of share from face value of Rs. 10/- each to face value of Rs. 5/- each; and (b) issue of bonus equity shares in the proportion of 1:1, having face value of Rs. 5/- each. Accordingly, the number of shares to be issued to FBL shareholders will undergo change i.e. 100 equity shares of DIL of Rs. 5 each fully paid up for every 251 equity shares of FBL of Rs. 10 each fully paid up. Any fractional equity shares resulting out of allotment of new equity shares by DIL to FBL shareholders will be rounded off as per the terms of the Scheme.</i></p>												
6	Brief details of change in shareholding pattern (if any) of listed entity	<p>DIL Limited</p> <table> <tr> <th>Category</th><th>Existing shareholding</th><th>Post-merger shareholding</th></tr> <tr> <td>Promoters</td><td>62.59%</td><td>58.93%</td></tr> <tr> <td>Public</td><td>37.41%</td><td>41.07%</td></tr> <tr> <td>Total</td><td>100.00%</td><td>100.00%</td></tr> </table>	Category	Existing shareholding	Post-merger shareholding	Promoters	62.59%	58.93%	Public	37.41%	41.07%	Total	100.00%	100.00%
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