

Indokem Limited

(CIN NO.: L31300MH1964PLC013088)

Registered Office :

"KHATAU HOUSE", Ground Floor,
Mogul Lane, Mahim (West),
Mumbai - 400 016.

Phone : 61236767

Fax : 61236718

Website : www.indokem.co.in

Date: 13th September 2021

BSE Limited

Listing Department,
1st Floor, New Trading Ring,
Rotunda Building,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort
Mumbai – 400 001.
Email: corp.relations@bseindia.com

Security Code No.: 504092

Dear Sir/Madam,

SUB: Outcome of Board Meeting held on 13th September 2021 – Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular bearing reference number CIR/CFD/CMD/4/2015 dated September 9, 2015

In terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "**Listing Regulations**") read with SEBI Circular bearing reference number CIR/CFD/CMD/4/2015 dated September 9, 2015, we hereby submit the outcome of the meeting of the Board of Directors ("**Board**") of Indokem Limited ("**Indokem**" or "**the Company**") held on 13th September 2021.

Approval of the original Scheme of Amalgamation on 27th July 2021

The Board of Directors of the Company had approved the draft Scheme for Amalgamation of the Transferor Company with the Transferee Company on 27th July 2021 based on the recommendation of the Audit Committee and the Committee of the Independent Directors. The swap ratio for the amalgamation was determined by valuer based on the financials as on 31st March 2021.

In order to comply with the requirement of the Stock Exchange of providing a valuation report based on the financial statements not being older than 3 months from the date of filing with the Stock Exchange, the company has decided to adopt a revised valuation report.

The revised valuation report dated 13th September, 2021 has been obtained by the Company in order to determine the revised swap ratio based on the Financials Statements as on 30th June 2021 (being not more than 3 months old). Accordingly, the swap ratio in the draft Scheme for Amalgamation has been amended based on the said valuation report.



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Approval of the Revised Scheme of Amalgamation

Based on the recommendations of the Audit Committee and the Committee of Independent Directors, the Board has considered and approved a Revised Scheme of Amalgamation (the "**Scheme**") under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules framed thereunder ("**the Act**").

The Scheme provides for Amalgamation of Refinol Resins and Chemicals Limited with the Company and their respective Shareholders.

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

Please find enclosed **Annexure 1** containing details as per Regulation 30 of the Listing Regulations read with Circular CIR/CFD/CMD/4/2015 dated September 9, 2015.

This is for your information and record.

Thanking you,

For **Indokem Limited**



Mr. Rajesh Pisal
Company Secretary
Enclosed as above.



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ANNEXURE 1

S. No.	Particulars	Description												
1)	Name of the entity(ies) forming part of the amalgamation / merger, details in brief such as, size, turnover etc.;	<p>This is a Scheme of Amalgamation ("the Scheme") of Refinol Resins and Chemicals Limited ("Transferor Company") with Indokem Limited ("the Company" or "Transferee Company").</p> <p>Set out below is the net-worth and total income as on 31st March, 2021 of the companies involved in the Scheme –</p> <p style="text-align: right;"><i>(Amount in INR Crores)</i></p> <table border="1"><thead><tr><th>Particulars</th><th>Total Turnover / Income</th><th>Net Worth</th></tr></thead><tbody><tr><td>Transferor Company (Standalone)</td><td>19.02</td><td>12.92</td></tr><tr><td>Transferor Company (Consolidated)</td><td>31.77</td><td>20.25</td></tr><tr><td>Transferee Company</td><td>79.24</td><td>31.21</td></tr></tbody></table>	Particulars	Total Turnover / Income	Net Worth	Transferor Company (Standalone)	19.02	12.92	Transferor Company (Consolidated)	31.77	20.25	Transferee Company	79.24	31.21
Particulars	Total Turnover / Income	Net Worth												
Transferor Company (Standalone)	19.02	12.92												
Transferor Company (Consolidated)	31.77	20.25												
Transferee Company	79.24	31.21												
2)	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length"	<p>The draft Scheme does not fall within the purview of related party transactions in terms of General Circular No. 30/2014 dated 17th July 2014 issued by the Ministry of Corporate Affairs since the same is subject to the sanction of the National Company Law Tribunal and provisions of Section 188 of the Companies Act, 2013 are not applicable.</p> <p>However, there are common promoters in the Transferor Company and the Transferee Company. Further, pursuant to the Scheme, equity shares of the Transferee Company are proposed to be issued and allotted to the shareholders of the Transferor Company. In light of the same, the transaction under the proposed Scheme may be deemed to be a "related party transaction" under the applicable provisions of the Listing Regulations.</p> <p>The consideration as set forth in the Scheme will be discharged on "arm's length basis". The share exchange ratio for the shares to be allotted to the shareholders of the Transferor Company is based on revised valuation report provided by Niranjana Kumar, Registered Valuer – Securities or Financial Assets. Galactico Corporate Services Limited, a SEBI registered Category – I Merchant Banker, has also issued a revised fairness opinion on the revised valuation report. The aforementioned Valuation Report and Fairness Opinion</p>												



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		have duly been considered by the Audit Committee, Committee of Independent Directors and Board of the Company.							
3)	Area of business of the entity(ies)	<table border="1"><thead><tr><th>Company</th><th>Business</th></tr></thead><tbody><tr><td>Transferor Company</td><td>The Transferor Company is engaged in the business of manufacturing and marketing of resins and chemicals.</td></tr><tr><td>Transferee Company</td><td>The Transferee Company is engaged in the business of dealing in dyes, sizing chemicals, auxiliaries in textile industry and electrical capacitors.</td></tr></tbody></table>	Company	Business	Transferor Company	The Transferor Company is engaged in the business of manufacturing and marketing of resins and chemicals.	Transferee Company	The Transferee Company is engaged in the business of dealing in dyes, sizing chemicals, auxiliaries in textile industry and electrical capacitors.	
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4)	Rationale for Scheme	<p>The Transferor Company and the Transferee Company are engaged in similar lines of business and complement each other. With an intent to expand the business and achieve larger product portfolio, economies of scale, efficiency, optimisation of logistics and distribution network and other related economies by consolidating the business operations being managed by different management teams, the Board of Directors of the Transferor Company and the Transferee Company propose to consolidate the business of the Transferor Company with the Transferee Company. The proposed amalgamation of the Transferor Company with Transferee Company would <i>inter alia</i> have the following benefits:</p> <ol style="list-style-type: none">1. Creation of a combined entity, hosting all products under the Transferee Company, thereby resulting in diversified portfolio of products, economies of scale, operational rationalization, efficiency of management and maximizing value for the shareholders.2. Greater synergies between businesses and optimum use of manufacturing facilities, marketing strength, R & D facilities, Certifications resulting in productivity gains thereby maximizing value for the shareholders.3. Optimum use of infrastructure and organizational efficiency by pooling of financial, managerial and technical resources, personnel, capabilities, skills, expertise and technologies of Transferor Company and Transferee Company thereby significantly contributing to the future growth and maximizing shareholder value.4. Better financial leverage, resulting in greater efficiency in cash and debt management and unfettered access to cash flow generated by the combined business, which can be deployed more efficiently, to realize higher profits for the combined entity.							



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		<p>5. Improved organizational capability and leadership, arising from the pooling of human capital, who have the diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.</p> <p>6. Cost savings because of standardization and simplification of business processes, elimination of duplication and rationalization of administrative expenses.</p> <p>7. Reduction in regulatory and legal compliances and avoidance of multiple records keeping.</p> <p>8. Strengthening ability to face increasing competitive, regulatory, environmental and global risks; thereby resulting in sustainable and profitable long term growth for the combined entity.</p> <p>In view of the aforesaid, the Board of Directors of the Transferor Company as well as the Board of Directors of the Transferee Company have considered and proposed the amalgamation of the entire undertaking and business of the Transferor Company with the Transferee Company. Accordingly, the Board of Directors of the Company have formulated this Scheme of Amalgamation for the transfer and vesting of the entire undertakings and business of the Transferor Company within and into the Transferee Company pursuant to the provisions of Sections 230 to 232 and other relevant provisions of the Act.</p>																			
5)	In case of cash consideration – amount or otherwise share exchange ratio	<p>Following share exchange ratio has been determined for the allotment of the equity shares of the Transferee Company having face value of INR 10 each to the shareholders of the Transferor Company as on the Record Date (<i>as per the Scheme</i>), in consideration for the amalgamation of the Transferor Company with the Transferee Company:</p> <p><i>“1,257 (One Thousand Two Hundred and Fifty-Seven) equity shares of Indokem having face value of INR 10 each fully paid up shall be issued for every 1,000 (One Thousand) equity shares held in Refinol having face value of INR 10 each fully paid up”.</i></p>																			
6)	Brief details of change in shareholding pattern (if any) of entities.	<p>Change in shareholding of the Transferor Company as on appointed date</p> <table border="1"> <thead> <tr> <th rowspan="2">Category</th> <th colspan="2">Pre-Scheme</th> <th colspan="2">Post-Scheme</th> </tr> <tr> <th>No. of shares</th> <th>% share holding</th> <th>No. of shares</th> <th>% share holding</th> </tr> </thead> <tbody> <tr> <td>Promoter</td> <td>16,55,431</td> <td>53.6%</td> <td>-</td> <td>-</td> </tr> <tr> <td>Public</td> <td>14,34,469</td> <td>46.4%</td> <td>-</td> <td>-</td> </tr> </tbody> </table>	Category	Pre-Scheme		Post-Scheme		No. of shares	% share holding	No. of shares	% share holding	Promoter	16,55,431	53.6%	-	-	Public	14,34,469	46.4%	-	-
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		Non Promoter	-	-	-	-
		Non Public	-	-	-	-
		Total	30,89,900	100.0%	-	-
Change in shareholding of the Transferee Company as on appointed date						
		Category	Pre-Scheme		Post-Scheme	
			No. of shares	% share holding	No. of shares	% share holding
		Promoter	1,72,53,011	70.9%	1,93,33,888	68.54%
		Public	70,72,589	29.1%	88,75,717	31.46%
		Non Promoter	-	-	-	-
		Non Public	-	-	-	-
		Total	2,43,25,600	100.0%	2,82,09,604	100.0%

