



THE DHARAMSI MORARJI CHEMICAL CO. LTD.

CIN NUMBER : L24110MH1919PLC000564



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Sec.25/2017/019
March 2, 2017

The Manager
Department of Corporate Services,
BSE Limited, Phiroze Jeejeeboy Towers,
Dalal Street, Fort, Mumbai 400 001.
Fax No.: 22722037/39/41/61/3121/3719

BSE Scrip Code: 506405

Dear Sir,

**Sub: Scheme of Arrangement/Amalgamation of Borax Morarji Limited (BML)
with The Dharamsi Morarji Chemical Company Limited (DMCC).**

We wish to inform you that the Board of Directors ('Board') at its meeting held today, Thursday, March 2, 2017 has considered and approved the Scheme of Arrangement/Amalgamation of Borax Morarji Limited (BML) with The Dharamsi Morarji Chemical Company Limited, (DMCC) subject to requisite approvals.

The final scheme as approved at the Board meeting held today shall be filed with the Stock Exchange in compliance with the provisions of Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and would be available on the website of the Company post filing of the same with the Stock Exchange.

We enclose herewith the prescribed information pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular no CIR/CFD/CMD/4/2015 September 09, 2015.

This is for your information and records please .

Yours faithfully
For The Dharamsi Morarji Chemical Company Limited


D.T. Gokhate
Company Secretary

Encl: As above

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Disclosure of events and information pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular no CIR/CFD/CMD/4/2015 September 09, 2015

- a. Name of the entity(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc.;

Scheme of Arrangement/Amalgamation of Borax Morarji Limited (BML) with The Dharamsi Morarji Chemical Company Limited (DMCC)

The Dharamsi Morarji Chemical Co. Ltd., ('DMCC' or the 'Transferee Company') Mumbai, listed on BSE Limited. The promoters and the Promoters group is headed by Shri. Laxmikumar Narottam Goculdas. The Company was Established in the year 1919, DMCC was the major producer of Sulphuric Acid and Single Super Phosphate (SSP) fertilizers in India.

DMCC presently is a major manufacturer of Sulphuric Acid and continues to focus on Sulphur and Ethanol Chemistry. The major emphasis of the Company is Speciality Chemical business which is driven by extensive product R&D and process innovations.

The Company has since discontinued its fertilizer business viz. manufacture and sale of Single Super Phosphate due to various economical and commercial considerations.

Financial information of DMCC:

Indian Rupees (in Crores)

Particulars	Shareholder's Funds	Revenue from Operations	Profit After Tax
FY 15-16	42.65	100.76	11.97
FY 14-15	30.67	120.06	13.98
FY 13-14	17.10	101.31	16.06

Borax Morarji Limited ('BML' or the 'Transferor Company') was incorporated on August 27, 1963. The promoters and the Promoters group is headed by Shri. Laxmikumar Narottam Goculdas. BML is a leader in manufacturing of boron chemicals in India. BML is now focused on innovative initiatives through Research and Development and envisages developing and enhancing its product portfolio with new customized and Speciality chemicals .



Financial information of BML:

Indian Rupees (in Crores)

Particulars	Shareholder's Funds	Revenue from Operations	Profit After Tax
FY 15-16	4.52	41.76	4.56
FY 14-15	0.63	46.71	(9.74)
FY 13-14	10.59	66.21	(9.64)

- b. Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length"?

The promoters and Promoters group of DMCC are also promoters and Promoters Group / shareholders of BML. Both the companies have common Directors in the respective Boards and hence they are related parties with and to each other. Pursuant to the Scheme, DMCC shall issue consideration by way of equity shares, calculated on the basis of a valuation report obtained from SSPA & Co, Chartered Accountants, Mumbai. In addition, V. B. Desai Financial Services Ltd., Mumbai have also issued a fairness opinion on the said valuation report.

In this connection, it will be pertinent to mention that the Ministry of Corporate Affairs vide its general circular bearing number 30/2014 dated 17th July, 2014 has clarified that transactions arising, inter alia, out of amalgamation will not attract the requirement of Section 188 of Companies Act, 2013.

- c. Area of business of the entity(ies)

The Transferor Company is primarily engaged in the business of manufacturing and sale of Borax, Boric Acid and other boron chemicals.

The Transferee Company is primarily engaged in the business of manufacture and sale of Commodity Chemicals viz. Sulphuric Acid, Oleum, Chloro Sulphonic Acid, etc. and various Speciality Chemicals.

- d. Rationale for the Amalgamation/Merger

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
- e. In case of cash consideration – amount or otherwise share exchange ratio

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, 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:

A. Exchange ratio for the Equity shareholders of the Transferor Company

“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”.

B. Exchange ratio for the Preference shareholders of 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”.

- f. Brief details of change in shareholding pattern (if any) of listed entity.

Post-merger, all the shareholders of BML shall receive proportionate shares in DMCC based on the swap ratio as calculated by SSPA & Co, Chartered Accountants. Mumbai. Upon issuance of shares by DMCC, pursuant to the Scheme, promoter shareholding in DMCC is estimated to change from current 50.12% to 52.99%. However, such a change is estimated at present based on shareholding pattern of DMCC as on December 31, 2016. The actual shareholding would depend on the shareholding pattern of DMCC as on the record date.

