

MEGHMANI ORGANICS LIMITED



CORPORATE OFFICE: "MEGHMANI HOUSE", Behind Safal Profitaire, Corporate Road, Prahladnagar, Ahmedabad-380 015. Gujarat, (INDIA) Phone No.: +91 79 71761000, 29709600 Fax: +91 79 - 29709605 E-mail: helpdesk@meghmani.com Site: www.meghmani.com CIN: L24110GJ1995PLC024052



January 29, 2020

To

National Stock Exchange of India Limited
"Exchange Plaza",
Bandra-Kurla Complex,
Bandra (East) Mumbai 400 051

BSE Limited
Floor- 25, P J Tower,
Dalal Street,
Mumbai 400 001

SYMBOL:- MEGH

Scrip Code 532865

Dear Sir/Madam

Sub: Meghmani Organics Limited (Meghmani): Outcome of Board Meeting Held on 29th January, 2020

Ref:-Intimation under Regulation 30 of SEBI [Listing Obligations and Disclosure Requirements) Regulations. 2015 ("Listing Regulations")

The Board of Directors of Meghmani Organics Limited (Meghmani "or "the Company") on recommendation of its Audit Committee at its meeting held on 29th January, 2020 has considered and approved a Composite Scheme of Arrangement amongst Meghmani Organics Limited ("MOL 1") and Meghmani Organochem Limited ("MOL 2") and Meghmani Finechem Limited ("MFL") and their respective shareholders and creditors (the 'Scheme') under Sections 230 to 232 and other relevant provisions of the Companies Act, 2013 and the Rules made thereunder, which inter alia provides for :-

1. Demerger of Agrochemical and Pigment Undertaking from MOL1 into MOL2, on a going concern basis.

On Scheme being effective, the name of MOL 2 will be changed to Meghmani Organics Limited or any other name as may be approved by ROC.

2. Amalgamation of Remaining Business Undertaking of MOL 1 with MFL and

The Board of Directors of MFL (a material subsidiary of the Company) and MOL2 have approved the Scheme at their respective board meetings.

The Scheme is subject to requisite statutory and regulatory approvals of Central Government, Reserve Bank of India, Singapore Stock Exchange ("SGX-ST"), National Company Law Tribunal (NCLT), Indian Stock Exchanges (NSE & BSE), SEBI and/or any other regulatory approvals and sanction by the respective Shareholders and Creditors of each of the Companies, involved in the Scheme.

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The draft Scheme shall be filed with the Stock Exchanges as per provisions of the Regulation 37 of the SEBI Listing Regulations.

The information pursuant to Regulation 30 of the SEBI Listing Regulations read with SEBI Circular no. CIR/CFD/CMD/4/2015 dated September 09, 2015 is enclosed as **Annexure 1** to this letter.

You are requested to kindly take the above on record.

Thanking you

**Yours faithfully,
For Meghmani Organics Limited**

**K D Mehta
Company Secretary & Compliance Officer**



CC to :-

The Singapore Exchange Securities Trading Limited ("SGX-ST")
11 North Buona Vista Drive
#06-07 The Metropolis Tower 2
Singapore 138589

Annexure 1

Details pursuant to Reg. 30 of the SEBI Listing Regulations read with SEBI Circular no. CIR/CFD/CMD/4/2015 dated September 09, 2015:

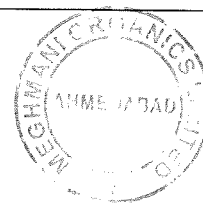
Sr. No.	Requirement	Disclosure												
1	Name of the entity (ies) forming part of the amalgamation /merger / demerger, details in brief such as, size, turnover etc.	<p>Meghmani Organics Limited (MOL 1) Meghmani Organochem Limited (MOL 2) Meghmani Finechem Limited (MFL)</p> <p>The Scheme envisages:-</p> <p>(1) The demerger and vesting of Agro Chemicals and Pigment Undertaking of MOL 1 (the Demerged Company) into MOL 2 (the Resulting Company), on a going concern basis. The name of MOL2 will be changed to Meghmani Organics Limited or any other name as approved by ROC.</p> <p>(2) The Amalgamation and vesting of the Remaining Business Undertaking of the MOL 1 (Transferor Company) to MFL (Transferee Company)</p> <p>The details of the assets and turnover of MOL1 and MOL2 is as under :-</p> <p style="text-align: right;">(Rs. In Lakhs)</p> <table border="1" data-bbox="845 1220 1530 1411"> <thead> <tr> <th data-bbox="845 1220 1061 1310">Entity</th> <th data-bbox="1061 1220 1284 1310">Total Assets as on 31 March, 2019</th> <th data-bbox="1284 1220 1530 1310">Total Turn Over 31 March, 2019</th> </tr> </thead> <tbody> <tr> <td data-bbox="845 1310 1061 1344">MOL1</td> <td data-bbox="1061 1310 1284 1344">150358</td> <td data-bbox="1284 1310 1530 1344">141042</td> </tr> <tr> <td data-bbox="845 1344 1061 1377">MOL2</td> <td data-bbox="1061 1344 1284 1377">NA</td> <td data-bbox="1284 1344 1530 1377">NA</td> </tr> <tr> <td data-bbox="845 1377 1061 1411">MFL</td> <td data-bbox="1061 1377 1284 1411">104421</td> <td data-bbox="1284 1377 1530 1411">71039</td> </tr> </tbody> </table>	Entity	Total Assets as on 31 March, 2019	Total Turn Over 31 March, 2019	MOL1	150358	141042	MOL2	NA	NA	MFL	104421	71039
Entity	Total Assets as on 31 March, 2019	Total Turn Over 31 March, 2019												
MOL1	150358	141042												
MOL2	NA	NA												
MFL	104421	71039												
2	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length"?	<p>MOL1, MOL2 and MFL are related parties. The transaction is being done at arm's length.</p>												
3	Area of business of the entity(ies)	<p>MOL 1:- The Transferor Company is engaged in the business of manufacturing and selling of Pigment and Agrochemicals products. It is also engaged in the business of trading in chemical products.</p> <p>MOL - 2 :- The Resulting Company has main object of manufacturing and selling of Pigment and Agro Chemicals.</p> <p>MFL :- The Transferee Company is engaged in manufacturing and selling of Chloro Alkali and its derivatives Viz; Caustic -Chlorine, Chloromethane and Caustic Potash.</p>												



Annexure 1

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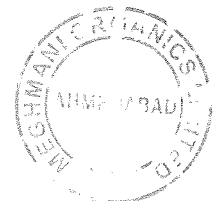
Sr. No.	Requirement	Disclosure
4	<p>Brief details of the Division to be demerged</p> <p>Turnover of the demerged division and as percentage to the total turnover of the listed entity in the immediately preceding financial year / based on financial year</p>	<p>Demerger of Agrochemicals and Pigment business into MOL2 being Wholly Owned Subsidiary of MOL 1.</p> <p>The Demerged Undertaking shall inter-alia comprise of all the assets, properties, investments and liabilities of Agrochemical and Pigment business.</p> <p><u>Demerged Undertaking – Rs.1395.3 crores representing 98.9 % of total turnover of MOL 1</u></p>
5	<p>Rationale for amalgamation/ merger/ demerger ;</p>	<p>The Board of Directors of each of the said Companies have considered and proposed the present Composite Scheme of Arrangement by way of Demerger of the Agrochemical and Pigment Undertaking of MOL 1 into MOL 2 and Merger of Remaining Business Undertaking of MOL 1 with MFL</p> <p>Amongst others, demerger of Demerged Undertaking of MOL 1 into MOL 2 and the merger of Remaining Business Undertaking of MOL1 with MFL would result in the following benefits:-</p> <p>a) The proposed re-structuring would create enhanced value for the shareholders through potential unlocking of value through listing of both the businesses on the NSE and BSE (i.e. “Agrochemicals & Pigment” and “Chloro-Alkali and its Derivatives”);</p> <p>b) The restructuring would allow a focused strategy and specialization for sustained growth, which would be in the best interest of all the stakeholders and the persons connected with the aforesaid companies;</p> <p>c) Since both the business are having separate growth trajectories, the proposed re-structuring would enable both the businesses to pursue their growth opportunities and offer investment opportunities to potential investors;</p>



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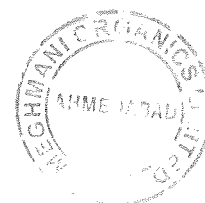
Sr. No.	Requirement	Disclosure
		<p>d) The proposed re-structuring would enable MOL 1 to delist its SDS's listed on SGX-ST;</p> <p>e) The proposed re-structuring would provide opportunity to shareholders of MOL 1 to directly participate in Chlore-Alkali and its Derivatives business;</p> <p>f) The proposed re-structuring would enable investors to hold investments in the businesses with different investment characteristics, which best suit their investment strategies and risk profiles;</p> <p>g) The proposed re-structuring would enable management to have a Greater/ Enhanced focus of the management on the Chlore-Alkali and its Derivatives business for exploiting opportunities</p>
6	In case of cash consideration amount or otherwise share exchange ratio;	<p><u>On demerger of 'Demerged Undertaking' into MOL 2</u></p> <p>1 fully paid up Equity Share of Re. 1/- each of MOL 2 (Resulting Company) shall be issued and allotted as fully paid up to the equity shareholders of the MOL 1 (Demerged Company) (including to Depository Bank who holds shares on behalf of the SDS holders for every 1 Equity Share of Re. 1/- fully paid up held in the Demerged Company as on the Record Date."</p> <p><u>On amalgamation of MOL 1 (Remaining Business) with MFL</u></p> <p>"94 (Ninety Four) fully paid up equity shares of MFL (the Transferee Company) of the face value of Rs. 10/- each shall be issued and allotted, at par as fully paid up to the equity shareholders of the MOL1 (Transferor Company (including to Depository Bank who holds shares on behalf of the SDS holders, for every 1000 (One Thousand) equity shares of Re. 1/- each held by the shareholders of MOL1 Transferor Company.</p>



Annexure 1

Details pursuant to Reg. 30 of the SEBI Listing Regulations read with SEBI Circular no. CIR/CFD/CMD/4/2015 dated September 09, 2015:

Sr. No.	Requirement	Disclosure
		<p>The Singapore Depository Shares ("SDS") listed on the SGX-ST are proposed to be delisted and SDS holders are to be provided an option to receive a fair and reasonable price, as determined by the Independent Financial Advisor in compliance with the Singapore regulations, in the manner provided in the draft scheme of arrangement</p>
7	<p>In case of cash consideration amount or otherwise share exchange ratio;</p>	<p><u>On demerger of 'Demerged Undertaking' into MOL 2</u></p> <p>1 fully paid up Equity Share of Re. 1/- each of MOL 2 (Resulting Company) shall be issued and allotted as fully paid up to the equity shareholders of the MOL 1 (Demerged Company) (including to Depository Bank who holds shares on behalf of the SDS holders for every 1 Equity Share of Re. 1/- fully paid up held in the Demerged Company as on the Record Date."</p> <p><u>On amalgamation of MOL 1 (Remaining Business) with MFL</u></p> <p>"94 (Ninety Four) fully paid up equity shares of MFL (the Transferee Company) of the face value of Rs. 10/- each shall be issued and allotted, at par as fully paid up to the equity shareholders of the MOL1 (Transferor Company (including to Depository Bank who holds shares on behalf of the SDS holders, for every 1000 (One Thousand) equity shares of Re. 1/- each held by the shareholders of MOL1 Transferor Company.</p> <p>The Singapore Depository Shares ("SDS") listed on the SGX-ST are proposed to be delisted and SDS holders are to be provided an option to receive a fair and reasonable price, as determined by the Independent Financial Advisor in compliance with the Singapore regulations, in the manner provided in the draft scheme of arrangement.</p>



Annexure 1

Details pursuant to Reg. 30 of the SEBI Listing Regulations read with SEBI Circular no. CIR/CFD/CMD/4/2015 dated September 09, 2015:

Sr. No.	Requirement	Disclosure		
7	Brief details of change in shareholding pattern (if any) of listed entity.	<i>The shareholding pattern of MOL1 is presented as follows</i>		
		<i>Particulars</i>	<i>Pre-merger demerger (Shareholding %)</i>	<i>Post-merger demerger (Shareholding %)</i>
		<i>Promoters</i>	48.34	<i>Pursuant to the Scheme, MOL 1 would be amalgamated into MFL and hence would be wound up</i>
		<i>Public</i>	46.59	
		<i>SDR Holders (Public)</i>	05.07	
		<i>Total</i>	100.00	
		<i>Pursuant to the Scheme, there will be change in the shareholding pattern of MOL 2</i>		
		<i>Particulars</i>	<i>Pre-merger demerger (Shareholding %)</i>	<i>Post-merger demerger (Shareholding %)</i>
		<i>Promoters</i>	100.00	48.34
		<i>Public</i>	-	51.66
		<i>Total</i>	100.00	100.00
		<i>Pursuant to the Scheme, there will be change in the shareholding pattern of MFL</i>		
		<i>Particulars</i>	<i>Pre-merger demerger (Shareholding %)</i>	<i>Post-merger demerger (Shareholding %)</i>
		<i>Promoter & Promoter Group</i>	100.00	70.28
		<i>Public</i>	-	29.72
		<i>Total</i>	100.00	100.00



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Sr. No.	Requirement	Disclosure
8	Whether listing would be sought for the resulting entity.	<p>The Listing would be sought for:-</p> <p>MOL 2 (Resulting company) will apply for listing on National Stock Exchange (India) Limited and BSE Limited to the new shares to be issued and allotted by MOL 2 pursuant to Scheme of demerger of MOL1 becoming effective.</p> <p>MFL (Transferee Company) will apply for listing on National Stock Exchange (India) Limited and BSE Limited pursuant to the new shares to be issued and allotted by MFL pursuant to Scheme of Merger of MFL and MOL1 becoming effective)</p>

