



**NOCIL LIMITED**

Regd. Office : Mafatlal House, 3rd Floor, H. T. Parekh Marg,  
Backbay Reclamation, Churchgate, Mumbai - 400 020, India.  
Tel.: +91 22 6657 6100, 6636 4062 Fax +91 22 6636 4060  
Website: www.nocil.com CIN No. L99999MH1961PLC012003  
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The ethics of excellence

## **Report of the Board of Directors on effect of the Scheme**

### **REPORT ADOPTED BY THE BOARD OF DIRECTORS OF NOCIL LIMITED AT ITS MEETING HELD ON 30<sup>TH</sup> JANUARY, 2020, AT THE REGISTERED OFFICE OF THE COMPANY EXPLAINING EFFECT OF THE SCHEME ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS, NON-PROMOTER SHAREHOLDERS, LAYING OUT IN PARTICULAR THE SHARE ENTITLEMENT RATIO**

The amalgamation of Suremi Trading Private Limited ('Suremi' or 'the Transferor Company 1') and Sushripada Investments Private Limited ('Sushripada' or 'the Transferor Company 2') (Transferor Company 1 and Transferor Company 2 collectively referred to as Transferor Companies) with NOCIL Limited ('NOCIL' or 'the Transferee Company' or 'the Company'), through a Scheme of Amalgamation ('the Scheme') under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment or amendment thereof) and enabling clauses of the Memorandum of Association of the Company and subject to the requisite approvals and sanction of the National Company Law Tribunal, Mumbai Bench ('NCLT') or such other competent authority as may be applicable and subject to the approval of shareholders and / or creditors of the Company, Central Government, or such other competent authority as may be directed by the NCLT, has been approved by the Board of Directors in its board meeting dated 30<sup>th</sup> January 2020 .

As per Section 232(2)(c) of the Companies Act, 2013, a report adopted by the directors explaining effect of compromise on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio, is required to be circulated to the shareholders along with the notice convening the meeting.

Having regard to the aforesaid new provision, following was discussed by the Board of Directors:

1. The amalgamation will ensure a streamlined group structure by reducing the number of legal entities in the group structure.
2. The Transferor Company 1 and Transferor Company 2 are promoter companies holding 12.54% and 5.41% stake in the Company respectively.
3. For the purposes of the Scheme, Valuation Report was obtained from M/s SSPA & Co., Chartered Accountants and M/s R V Shah & Associates, Chartered Accountants (Registered Valuers). Further, the Fairness Opinion was provided by M/s. Keynote Corporate Services Limited, a Category I Merchant Banker, wherein the following share entitlement was recommended in their report dated 30<sup>th</sup> January 2020 as consideration for the Amalgamation of the Transferor Companies with the Transferee Company:



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*"2,07,72,170 equity shares of the face value of Rs. 10 each fully paid-up of the Transferee Company shall be issued and allotted as fully paid up to the equity shareholders of the Transferor Company 1 and compulsorily convertible preference shareholders of the Transferor Company 1 in the proportion of their holding in the Transferor Company 1."*

*"89,60,880 equity shares of the face value of Rs. 10 each fully paid-up of the Transferee Company shall be issued and allotted as fully paid up to the equity shareholders of the Transferor Company 2 and compulsorily convertible preference shareholders of the Transferor Company 2 in the proportion of their holding in the Transferor Company 2."*

In case Suremi and Sushripada acquire additional equity shares of NOCIL before the Appointed Date without incurring any additional liability, such additional number of equity shares of NOCIL shall also be issued and allotted to the shareholders of Suremi and Sushripada in proportion of their holdings in Suremi and Sushripada respectively.

4. Thus, the Scheme provides for issuing exactly same number of shares to the shareholders of the Transferor Companies as is currently held by the Transferor Companies (i.e. 2,97,33,050 - equity shares of the face value of Rs. 10 each fully paid-up) in the Company.
5. The promoter group shareholding in the Company will continue to remain same i.e. 33.73%, post amalgamation. Further, the public shareholding of the Company will continue to remain same i.e. 66.27%, post amalgamation. All cost, charges and expense relating to the Scheme would be borne by the Transferor Companies / Promoter Group.
6. Existing equity shares held by the Transferor Companies (i.e. 2,97,33,050 equity shares of the face value of Rs. 10 each fully paid-up) representing 17.95% of the total paid up capital of NOCIL shall stand cancelled, without any further act or deed, upon this Scheme becoming effective.
7. The new equity shares of the Company to be issued to the Equity Shareholders and Compulsorily Convertible Preference Shareholders of the Transferor Companies will be listed for trading on the stock exchanges where the shares of the Company are listed.
8. The Company was not expecting any change in the key managerial personnel of the Company in pursuance of the Scheme becoming effective.
9. There will be no adverse effect of the said Scheme on the equity shareholders (the only class of shareholders), key managerial personnel, promoter and non-promoter shareholders of the Company.

**For NOCIL LIMITED**

  
Amit K. Vyas

Assistant Vice-President (Legal) & Company Secretary

Mem. No. F3766



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