

19th September, 2018

To,
Dept. of Corporate Services (CRD)
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001
Scrip Code: 504286

Listing Department
The National Stock Exchange Limited of India Limited
Bandra Kurla Complex,
Bandra East,
Mumbai – 400 051

Symbol: DELTAMAGNT

Dear Sir / Madam,

Sub: Outcome of proceeding of the Board Meeting held on 19th September, 2018**Re: Scheme of Amalgamation of Arrow Textiles Limited ('ATL' or 'First Transferor Company') and MMG India Private Limited ('MMG' or 'Second Transferor Company') with Delta Magnets Limited ('DML' or 'Transferee Company') and their respective Shareholders ('the Scheme')– Intimation under Regulation 30 and other applicable regulations of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015**

We would like to inform that the meeting of Board of Directors of Delta Magnets Limited ('DML' / 'Company') was held today, 19th September, 2018, and the Board *inter alia*, considered and approved amalgamation of ATL and MMG with itself by way of a merger.

The proposed consolidation would be carried out vide a Scheme of Amalgamation of Arrow Textiles Limited ('ATL' or 'First Transferor Company') and MMG India Private Limited ('MMG' or 'Second Transferor Company') with Delta Magnets Limited ('DML' or 'Transferee Company' or 'Company') and their respective Shareholders ('the Scheme') under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.

In consideration for merger of ATL and MMG with DML in terms of the Scheme and based on Share Swap Ratio Report issued by M/s Bharat Kotak & Co., Independent Chartered Accountants and fairness opinion provided by Dalmia Securities Private Limited, a Category I Merchant Banker, DML will issue 23 (Twenty Three) fully paid up equity shares of Rs. 10/- each to the equity shareholders of ATL as on the Record Date (as may be determined in terms of the Scheme) for every 100 (Hundred) equity shares of Rs. 10/-, fully paid up each of ATL. Please note that fractional shares arising out of the above entitlement would be consolidated and dealt with as provided in the Scheme and proceeds would be distributed to all such shareholders who were originally entitled to such fractional



shares. Also, the entire issued, subscribed and paid up share capital of MMG is held by DML along with its nominees. Upon the Scheme becoming effective, the entire equity share capital of MMG shall stand automatically cancelled and there will not be any issue and allotment of equity shares in DML.

The equity shares of DML to be issued to the shareholders of ATL pursuant to the Scheme shall be listed on the stock exchanges viz, BSE and NSE (*subject to listing permission being granted by the stock exchanges*). The Scheme would be subject to approval of the National Company Law Tribunal, Stock Exchanges, SEBI and various statutory approvals, including those from the shareholders and the lenders / creditors of the companies involved in the Scheme.

The Board also authorises the Investment, Borrowing and General Purpose Committee of Directors to take necessary actions for completing the requirement in this regard and to do all acts and deeds as may be necessary.

The information pursuant to Regulation 30 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9th September, 2015 is also enclosed herewith.

The Board meeting commenced at 6.30 p.m. and concluded at 9.45 p.m.

The above is for your information and record, please.

Thanking you,

Yours faithfully,
For Delta Magnets Limited



Anannya Godbole
Company Secretary
ACS No.: 23112

Encl: as above.

Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Particulars	Remarks
Brief details of the entities forming part of amalgamation	<p>1. Arrow Textiles Limited ('ATL' or 'First Transferor Company') is engaged in business of manufacture of woven tape, woven & printed labels. The Registered Office of ATL is situated in the state of Maharashtra.</p> <p>Brief details of total assets, net worth and turnover is as under:</p> <p>Total Assets – Rs. 44,04,35,210 (as on 31 March 2018)</p> <p>Net Worth – Rs. 35,38,77,950 (as on 31 March 2018)</p> <p>Turnover – Rs. 39,79,45,860 (For period 1 April 2017 to 31 March 2018)</p> <p>2. MMG India Private Limited ('MMG' or 'Second Transferor Company') is engaged in business of manufacture of soft ferrites and coil winding. The Registered office of MMG is situated in the state of Maharashtra.</p> <p>Brief details of total assets, net worth and turnover is as under:</p> <p>Total Assets – Rs. 36,73,47,742 (as on 31 March 2018)</p> <p>Net Worth – Rs. (6,25,25,955) (as on 31 March 2018)</p> <p>Turnover – Rs. 20,45,79,003 (For period 1 April 2017 to 31 March 2018)</p> <p>3. Delta Magnets Limited ('DML' or 'Transferee Company') is engaged in business of manufacture of hard ferrites magnets. The Registered office of</p>



Particulars	Remarks
	<p>DML is situated in the state of Maharashtra. Brief details of total assets, net worth and turnover is as under:</p> <p>Total Assets – Rs. 53,31,66,100 (as on 31 March 2018) Net Worth – Rs. 29,52,97,420 (as on 31 March 2018) Turnover – Rs. 23,83,46,760 (For period 1 April 2017 to 31 March 2018)</p>
<p>Whether the transaction would fall within related party transaction? If yes, whether the same is done at "arms' length"</p>	<ul style="list-style-type: none"> • ATL and DML are related parties and hence amalgamation of ATL with DML will fall under the ambit of related party transaction. • ATL and DML have obtained a Share Exchange Ratio report from an independent Chartered Accountant which is confirmed by a fairness opinion obtained from SEBI registered Category I Merchant Banker. • MMG is a wholly owned subsidiary of DML and hence amalgamation of MMG with DML will fall under the ambit of related party transaction • In case of amalgamation of MMG with DML, no shares are to be issued since MMG is a wholly owned subsidiary of DML.
<p>Rationale for merger</p>	<p>The amalgamation would result in the following:</p> <ul style="list-style-type: none"> • Provide an opportunity to leverage combined assets and enable optimum utilization of existing resources by pooling of resources to facilitate future expansion of business of Transferee Company; • Reduce managerial overlaps involved in operating multiple entities and increase operational and management efficiency, integrate business functions and eliminate duplication and rationalization of administrative expenses; • Synchronization of efforts to achieve uniform



Particulars	Remarks
	<p>corporate policy, greater integration and greater financial strength and flexibility for amalgamated entity; and</p> <ul style="list-style-type: none"> Improving organizational capability and leadership arising from pooling of human capital that has diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.
Brief details of change in shareholding pattern of the entities	<ul style="list-style-type: none"> The post amalgamation shareholding of the Company would be as follows: <ol style="list-style-type: none"> Promoter & Promoter group – 70.73%; Public shareholding – 29.27%;
Nature of consideration	<p>In consideration for the merger of ATL with DML in terms of the Scheme and based on share entitlement report issued by M/s Bharat Kotak & Co., Chartered Accountants and fairness opinion provided by M/s Dalmia Securities Private Limited, a Category I Merchant Banker.</p> <p>DML will issue 23 (Twenty Three) fully paid up equity shares of Rs. 10/- each to the equity shareholders of ATL as on the Record Date (as may be determined in terms of the Scheme) for every 100 (Hundred) equity shares of Rs. 10/- each, fully paid up of ATL</p> <p>Please note that fractional shares arising out of the above entitlement would be consolidated and dealt with as provided in the Scheme and proceeds would be distributed to all such shareholders who were originally entitled to such fractional shares.</p> <p>The entire issued, subscribed and paid up share capital of MMG is held by DML along with its nominees. Upon the Scheme becoming effective, the entire equity share capital of MMG shall stand automatically cancelled and there will not be any issue and allotment of equity shares in DML.</p>

