

**SCHEME OF ARRANGEMENT (DEMERGER)**

**BETWEEN**

For NATCO Pharma Limited

  
Ch. Venkat Ramesh  
Company Secretary & Compliance Officer  
M. No. A 41964

**NATCO PHARMA LIMITED**

**(“DEMERGED COMPANY” OR “NPL”)**

For Natco Crop Health Sciences Limited

  
S V V N Appa Rao  
Director  
DIN: 11451760

**AND**

**NATCO CROP HEALTH SCIENCES LIMITED**

**(“RESULTING COMPANY” OR “NCHSL”)**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

**(UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT,  
2013)**

**I. PREAMBLE**

This Scheme of Arrangement (Demerger) (“**the Scheme**” or “**the Scheme of Arrangement**”) is presented under Sections 230 to 232 of Companies Act, 2013 (including any statutory modifications or re-enactments or amendments thereof) and other applicable provisions of the Companies Act, 2013 for the demerger of Agrochemicals Undertaking (as hereinafter defined) of Natco Pharma Limited (“**Demerged Company**” or “**NPL**”) on a going concern basis to Natco Crop Health Sciences Limited (“**Resulting Company**” or “**NCHSL**”). The Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

**II. DESCRIPTION OF COMPANIES**

**a. NATCO PHARMA LIMITED (“DEMERGED COMPANY” OR “NPL”):**

- i. Demerged company was originally incorporated on September 19, 1981 under the Companies Act, 1956 in the erstwhile State of Andhra Pradesh with the name “Natco Fine Pharmaceuticals Private Limited”.
- ii. The Demerged company became a deemed public company with effect from July 01, 1992 and on February 18, 1993 changed its name from “Natco Fine Pharmaceuticals Limited” to Natco Pharma



Limited. Natco Pharma Limited obtained an endorsement from the Registrar of Companies to this effect on December 30, 1994.

- iii. The Corporate Identity Number of the Demerged Company is L24230TG1981PLC003201. The Registered Office of the Demerged Company is situated at Natco House, Road No. 2, Banjara Hills, Hyderabad, Telangana, India -500 034.
- iv. The equity shares of the Demerged Company are listed on BSE Limited (Stock Code: 524816) and National Stock Exchange of India Limited (Stock Code: NATCOPHARM-EQ).
- v. The Demerged company has 2 (two) business verticals:
  - Pharmaceutical - Pharmaceutical division of the Demerged Company is engaged in the development, manufacturing, and marketing of Finished Dosage Formulations (**FDFs**) and Active Pharmaceutical Ingredients (**APIs**). It specializes in niche therapeutic areas, particularly oncology, and has expanded its portfolio to include treatments for cardiology, neurology, hepatology, gastroenterology, and diabetology. It has robust R&D capabilities, reflecting its commitment to innovation and competitive market entry.
  - Agrochemicals – Agrochemicals division of the Demerged Company is engaged in the research, development, manufacturing, and marketing of a diverse portfolio of agrochemical products, including pesticides, insecticides, herbicides, and bio stimulants. It focuses to provide innovative and green chemistry-based pests and biological crop solutions to farmers which result in higher crop yields.

**b. NATCO CROP HEALTH SCIENCES LIMITED (“RESULTING COMPANY” OR “NCHSL”):**

- i. The Resulting Company is a public limited company incorporated on December 26, 2025 under the Companies Act, 2013 in the State of Telangana.
- ii. The Corporate Identity Number of Resulting Company is U20211TS2025PLC208706. The Registered Office of Resulting Company is situated at Natco House, Road No. 2, Banjara hills, Hyderabad, Telangana, India - 500034.
- iii. The Resulting Company is incorporated, inter alia, to carry on the business of manufacturing, dealing in, and trading of all kinds and varieties of agrochemical and agricultural products, including but not limited to pesticides, insecticides, herbicides, bio-stimulants, agro-fertilizers, manures, composts, soil conditioners, animal feeds, urea, bio-fertilizers, and other forms of organic, inorganic, or mixed fertilizers, and to



undertake and carry on scientific and technological research, experimentation, studies, and development activities in the fields of agriculture, crop protection, biotechnology, green chemistry, biological pest management, and other allied or related disciplines.

- iv. The Resulting Company is a wholly owned subsidiary of Demerged Company.

### III. RATIONALE OF THE SCHEME OF ARRANGEMENT

The Demerged Company is inter alia engaged in two business verticals, namely: the Pharmaceutical Undertaking and the Agrochemicals Undertaking.

The Board of Directors of the Demerged Company believe that the risk and reward associated with each of the aforesaid business verticals are different. In order to segregate the Agrochemicals Undertaking with that of Pharmaceutical Undertaking, it is intended to demerge the Agrochemicals Undertaking on a going concern basis into the Resulting Company. Further, the Demerged Company intends to retain the current shareholding in the Resulting Company in order to continue to offer support to the Agrochemicals Business which is still at its early growth stages and help in monitoring the progress and providing strategic support.

The demerger, transfer and vesting of the Agrochemicals Undertaking on a going concern basis to the Resulting Company would result in better and efficient control by the management for the segregated businesses and promote their growth. Further, it would also result in the following benefits:

- The demerger would facilitate focused growth, operational efficiencies, business synergies and increased operational and customer focus in relation to the Agrochemicals Undertaking in the Resulting Company and the Pharmaceutical Undertaking in the Demerged Company. The demerger would thus provide a platform for having a concentrated approach towards development of the respective business verticals.
- Focused business approach for the maximization of benefits to all the shareholders and opportunities for growth.
- Operational rationalization, organization efficiency and optimum utilization of various resources
- Ability to leverage financial and operational resources of each business.
- Each business would be able to address independent business opportunities, pursue efficient capital allocation and attract different sets of investors, strategic partners, lenders and other stakeholders.
- The proposed demerger will enhance value for shareholders and allow a focused strategy in operation of the respective business verticals which would be in the best interest of the Demerged



- Company and the Resulting Company, shareholders, creditors and all persons connected therewith.
- The segregation is also expected to unlock the value of the business verticals of the Demerged Company.

There is no likelihood that the interests of any shareholder or creditor of either the Demerged Company or the Resulting Company would be prejudiced as a result of the Scheme. The demerger will not impose any additional burden on the members of the Demerged Company or the Resulting Company. The Scheme is not in any manner prejudicial or against public interest and would serve the interest of all shareholders, creditors and stakeholders.

Further, under the Scheme, there is no arrangement proposed to be entered into with the creditors, either secured and/or unsecured creditors of the Demerged Company and/or Resulting Companies. No compromise is offered under this Scheme to any of the creditors of the Demerged Company and/or Resulting Companies. The liability towards the creditors of the Demerged Company and/or Resulting Companies under the Scheme, is neither being reduced nor being extinguished and such liability with respect to Agrochemicals Undertaking shall be assumed and discharged by the Resulting Company, in their ordinary course of business.

Accordingly, the Board of Directors of Demerged Company and Resulting Company have formulated this Scheme of Arrangement (Demerger).



**IV. PARTS OF THE SCHEME**

The Scheme of Arrangement (Demerger) is divided into the following parts:

**Part A** – Provides for the Definitions, Interpretation and Share Capital;

**Part B** – Provides for the demerger of Agrochemicals Undertaking from the Demerged Company into the Resulting Company;

**Part C** – Provides for the General Terms and Conditions applicable to this Scheme of Arrangement (Demerger).



## PART A

### DEFINITIONS, INTERPRETATION AND SHARE CAPITAL

#### 1. DEFINITIONS

In this Scheme of Arrangement (Demerger), unless inconsistent with the subject or context, the following expression shall have the meanings respectively assigned against them:

- 1.1. **“Act”** or **“the Act”** means the Companies Act, 2013, the rules, regulations, circulars, guidelines issued thereunder, as amended from time to time and shall, include any statutory modification or re-enactment thereof, for the time being in force;
- 1.2. **“Applicable Laws”** means any statute, notifications, bye laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders or instructions having the force of law enacted or issued by any Appropriate Authority including any statutory modification or re-enactment thereof for the time being in force;
- 1.3. **“Appointed Date”** means 01 October 2026 or such other date as may be decided or approved by the National Company Law Tribunal or such other appropriate authority;
- 1.4. **“Appropriate Authority”** means and includes any applicable Governmental, statutory, departmental or public body or authority or agency, whether in India or outside India, including the Central Government, Registrar of Companies, National Company Law Tribunal, Stock Exchanges and SEBI;
- 1.5. **“Articles of Association”** means the articles of association of a company;
- 1.6. **“Board”** or **“Board of Directors”** means the Board of Directors or any committee thereof of the Demerged Company or the Resulting Company or both as the context may require and shall include a committee duly constituted and authorized thereby for the purpose of matters pertaining to this Scheme of Arrangement and/or any other consequential or incidental matter in relation thereto;
- 1.7. **“BSE”** means BSE Limited;
- 1.8. **“Central Government”** means the Regional Director, South East Region, Hyderabad in the Ministry of Corporate Affairs, Government of India.
- 1.9. **“CIN”** means Corporate Identification Number;



- 1.10. **“Demerged Company”** or **“NPL”** means Natco Pharma Limited, a company incorporated under the provisions of Companies Act, 1956 on September 19, 1981 (CIN L24230TG1981PLC003201) having its registered office at Natco House, Road # 2, Banjara Hills, Hyderabad, Telangana, India - 500 034.
- 1.11. **“Demerged Undertaking”** or **“Agrochemicals Undertaking”** means and includes, but not limited to, the undertaking, business, activities, operations, assets, liabilities and employees of the Demerged Company pertaining to the Agrochemicals Business, as on the Appointed Date, that would be demerged, transferred to and vested in the Resulting Company on a going concern basis. The details of assets and liabilities relating to the Agrochemicals Business as on the Appointed Date shall without limitation include the following:
- (i) All the assets and properties, whether movable or immovable, whether tangible or intangible, including all intellectual property, rights, title, interest, covenant, including continuing rights, title and interest in connection with the properties, whether corporeal or incorporeal, leasehold land, leasehold premises, freehold land, licenses, the land allotments made by Andhra Pradesh Industrial Infrastructure Corporation Limited relatable exclusively to the Agrochemicals Business.
  - (ii) All contracts, agreements, deeds, leases, memoranda of understanding, memoranda of agreements, undertakings, powers of attorney (if granted and applicable), arrangements, letters of intent, whether written or otherwise, sales orders, purchase orders or other instruments of whatsoever nature to which the Demerged Company is a party, in connection with or in relation to the Agrochemicals Business, or otherwise identified to be for the benefit of the same, approvals, electricity permits, telephone connections, building and parking rights, pending applications for consents or extension pertaining to or relatable to the Agrochemicals Business and the right to use assets and properties, whether movable or immovable, tangible or intangible, offices, current assets including loans and advances, furniture, fixtures, office equipment, appliances, accessories of the Agrochemicals Business of the Demerged Company.
  - (iii) All the debts, borrowings and liabilities (including liabilities not accrued, not recognized or provided for in the books of accounts of the Demerged Company), guarantees, assurances, commitments, obligations, loans, and undertakings of any kind, nature and description whatsoever and howsoever arising, present or future, whether secured or unsecured, and including, without limitation, working capital facilities, advances from customers, unearned revenues, bills payable, interest, whether fixed, contingent or absolute, secured or unsecured, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising, (including,



without limitation, whether arising out of any contract or tort based on negligence or strict liability) pertaining to or relating to the Agrochemicals Business of the Demerged Company.

- (iv) All permits, quotas, no objection certificates, rights, entitlements and benefits including affiliation with different universities, Institutes, Boards, licenses, bids, tenders, letter of intent, expression of interest, municipal permissions, approvals, consents, tenancies in relation to office, benefit of any deposit privileges, all other rights, receivables, licenses, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions and benefits of all agreements, contracts and arrangements, including technological licensing agreements, and all other interests in connection with or relating to the Agrochemicals Business of the Demerged Company.
- (v) All brand names, trademarks, drug master files, service marks, trade names, labels, patents and domain names, designs, software and computer programmes, databases, copyrights, trade secrets and other intellectual property and all other interests (including but not limited to trademarks mentioned in **Schedule I**) exclusively relating to the goods or services being used by the Demerged Company in the business, activities and operations pertaining to its Agrochemicals Business.
- (vi) All staff, workmen and employees engaged in the Agrochemicals Business of the Demerged Company as on the Effective Date, and any other employees/personnel hired by the Demerged Company on and after the Appointed Date who are primarily engaged in or in relation to the business, activities and operations pertaining to its Agrochemicals Business, that are in the employment of the Demerged Company as on the Effective Date.
- (vii) All earnest monies and/or security deposits in connection with or relating to the Agrochemicals Business of the Demerged Company.
- (viii) All records, files, papers, information, engineering and process information, computer programs, manuals, data, catalogues, quotations, sales advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records, whether in physical form or electronic form relating to the Agrochemicals Business of the Demerged Company.
- (ix) All permits, licenses, consents, approvals, authorizations, quotas, rights, powers, permissions, arrangements, assignments, sanctions, entitlements, allotments, exemptions, incentives, tax benefits, deferrals, subsidies, concessions, grants, claims, liberties, special status, benefits and privileges enjoyed or conferred upon or held or availed of by the



Demerged Company in relation to or pertaining to its Agrochemicals Business, registrations, advantages, no-objection certificates, certifications, easements, and any waivers of the foregoing, issued by any legislative, executive or judicial unit of any Appropriate Authority, governmental or quasi-governmental entity or any department, commission, board, agency, bureau, official or other regulatory, local (including municipal), administrative or judicial authority, used or held for use by the Demerged Company in respect of business, activities and operations pertaining to its Agrochemicals Business (including but not limited to product registrations as mentioned in Schedule II).

- (x) All tax credits, including cenvat credits, refunds, reimbursements, claims, exemptions, benefits under service tax laws, value added tax (VAT), goods and service tax (GST), purchase tax, sales tax or any other duty or tax or cess or imposts under any Central or State law including sales tax deferrals, special economic zone benefits, excise duty benefits, tax deducted at source, if any and exemptions, deductions, benefits and incentives under the Income-tax Act, 1961 in respect of business, activities, research and development units and operations pertaining to the Agrochemicals Business of the Demerged Company.
- (xi) All rights, benefits and other interest, whether held in trust or otherwise, contracts, agreements, powers, engagements, arrangements of all kind, privileges and all other rights including title, interests, other benefits (including tax benefits), easements, privileges, liberties and advantages of whatsoever nature and where so ever situate belonging to or in the ownership, possession, power or custody of or in the control of or vested in or granted in favour of or enjoyed by the Demerged Company, whether in India or abroad, all pertaining to or relatable to the Agrochemicals Business of the Demerged Company.

Whether any particular asset, liability or reserve should be included as asset, liability or reserve of the Agrochemicals Business or otherwise, shall be decided mutually by the Board of Directors or any committee thereof of the Demerged Company and the Resulting Company.

It is intended that the definition of "Demerged Undertaking" or "Agrochemicals Undertaking" under this clause would enable the transfer of all property, assets, rights, duties, employees and liabilities of Demerged Company pertaining exclusively to the Agrochemicals Business to the Resulting Company pursuant to this Scheme.

Any question that may arise as to whether a specified asset, benefit or liability, contract or obligation pertains to or does not pertain to the Agrochemicals Undertaking or whether it arises out of the activities or operations of the Agrochemicals Undertaking shall be decided by the Board of Directors of the Demerged Company and the Resulting Company or any committee thereof by mutual



agreement. Without prejudice to the generality of the foregoing, the assets and liabilities of the Demerged Undertaking, as on 31 December 2025, are illustratively set out in **Schedule III** and shall include all assets and liabilities pertaining thereto as may subsist on the Appointed Date.

- 1.12. **“Effective Date”** means the date or last of the dates on which the certified copy of the order, issued by the National Company Law Tribunal at Hyderabad, sanctioning this Scheme of Arrangement is filed by the Demerged Company and the Resulting Company with the Registrar of Companies, Telangana at Hyderabad;

Any references in this Scheme to the date of “upon this Scheme becoming effective” or “coming into effect of this Scheme” or “upon the coming into effect of this Scheme” or “on the Scheme becoming effective” or “the Scheme is effective” shall mean the Effective Date;

- 1.13. **“Memorandum of Association”** means the memorandum of association of a company;
- 1.14. **“National Company Law Tribunal”** or **“NCLT”** means the National Company Law Tribunal bench at Hyderabad as constituted and authorized as per the provisions of the Companies Act, 2013 for approving any scheme of arrangement, compromise or reconstruction of companies under section 230-232 of the Companies Act, 2013;
- 1.15. **“Record Date”** means the date to be fixed jointly by the Board of Directors of the Demerged Company and the Resulting Company for the purposes of determining the equity shareholders of the Demerged Company to whom shares would be issued in accordance with Clause 6 of this Scheme (as defined hereinafter);
- 1.16. **“Registrar of Companies”** means the Registrar of Companies, Telangana at Hyderabad;
- 1.17. **“Remaining Business Undertaking”** means all the undertakings, businesses, operations and activities, including all the assets and liabilities, of the Demerged Company, excluding the Demerged Undertaking, retained by the Demerged Company, pursuant to this Scheme;
- 1.18. **“Resulting Company”** or means Natco Crop Health Sciences Limited, a public limited company incorporated under the Companies Act, 2013 having its registered office at Natco House, Road No. 2, Banjara hills, Hyderabad, Telangana, India - 500034. (CIN: U20211TS2025PLC208706);
- 1.19. **“Scheme”** or **“this Scheme”** or **“Scheme of Arrangement”** shall mean this Scheme of Arrangement in its present form and with such modifications and amendments as may be made from time to time with the appropriate approvals and sanctions of the NCLT and other relevant



regulatory/statutory/governmental authorities, as may be required under the Act, and/or any other applicable laws;

1.20. “Share Exchange Ratio” shall have the meaning set out in Clause 6.1;

1.21. “SEBI” means the Securities and Exchange Board of India;

1.22. “Stock Exchanges” means the BSE Limited and National Stock Exchange of India Limited;

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye laws, as the case may be, including any statutory modification or re-enactment thereof from time to time;

Reference to Clauses, recitals and schedules, unless otherwise provided, are to Clauses, recitals and schedules of and to this Scheme. The singular shall include the plural and vice versa.

## 2. DATE OF TAKING EFFECT AND OPERATIVE DATE

2.1. The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the National Company Law Tribunal and/or other relevant regulatory/statutory/governmental authorities shall be effective from the Appointed Date, but shall be operative from the Effective Date.

## 3. SHARE CAPITAL

3.1. The share capital of the Demerged Company as on the date of the Meeting of the Board of Directors of the Demerged Company approving the Scheme, is as under:

Share Capital	Amount (In INR)
<u>Authorized Share Capital</u>	
22,50,00,000 equity shares of INR 2/- each	45,00,00,000
<b>TOTAL</b>	<b>45,00,00,000</b>
<u>Issued, subscribed and paid-up Share Capital</u>	
17,91,09,870 Equity shares of INR 2 /- each	35,82,19,740
<b>TOTAL</b>	<b>35,82,19,740</b>



Subsequent to the above date, there has been no change in the authorised, issued, subscribed and paid up equity share capital of the Demerged Company. The shares of the Demerged Company are currently listed on the BSE Limited and National Stock Exchange of India Limited.

- 3.2. The share capital of the Resulting Company as on the date of the Meeting of the Board of Directors of the Resulting Company approving the Scheme is as under:

Share Capital	Amount (In INR)
<b><u>Authorized Share Capital</u></b>	
4,50,00,000 Equity shares of INR 2/- each	9,00,00,000
<b>TOTAL</b>	<b>9,00,00,000</b>
<b><u>Issued, subscribed and paid-up Share Capital</u></b>	
4,47,77,468 Equity shares of INR 2/- each	8,95,54,936
<b>TOTAL</b>	<b>8,95,54,936</b>

Subsequent to the above date, there has been no change in the authorised, issued, subscribed and paid up equity share capital of the Resulting Company. The entire paid up share capital of Resulting Company is held by the Demerged Company and its nominees.



## PART B

### TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING FROM THE DEMERGED COMPANY INTO THE RESULTING COMPANY

#### 4. TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING

- 4.1. With effect from the Appointed Date and upon the Scheme becoming effective, the Demerged Undertaking of the Demerged Company shall, under the provisions of Section 230 to 232 and all other applicable provisions, if any, of the Act and Section 2(19AA) of the Income-tax Act, 1961, without any further act, instrument or deed, be transferred to and stand vested in, and/or be deemed to be transferred to and vested in, the Resulting Company as a going concern so as to become, as and from the Appointed Date, the Undertaking of the Resulting Company by virtue of and in the manner provided in this Scheme.
- 4.2. Any and all assets relating to the Demerged Undertaking, as are movable in nature or are otherwise capable of transfer by delivery of possession or by endorsement and delivery, the same shall be so transferred by the Demerged Company, upon the coming into effect of the Scheme, and shall become the property of the Resulting Company as an integral part of the Demerged Undertaking with effect from the Appointed Date, pursuant to the provisions of Section 230-232 of the Act without requiring any deed or instrument of conveyance for transfer of the same, subject to the provisions of this Scheme in relation to encumbrances in favour of banks and/or financial institutions.
- 4.3. Any and all movable properties of the Demerged Company relating to the Demerged Undertaking, other than those specified in Clause 4.2 above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, the same shall on and from the Appointed Date stand transferred to and vested in the Resulting Company without any notice or other intimation to the debtors (although the Resulting Company may without being obliged and if it so deems appropriate at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositor, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Resulting Company).
- 4.4. Without prejudice to the generality of the foregoing, all assets, estate, rights, title, interest investments and authorities held by the Demerged Company on the Appointed Date as regards the Demerged



Undertaking, not otherwise specified in Clause 4.2 and Clause 4.3 above, shall also, without any further act, instrument or deed stand transferred to and vest in the Resulting Company upon the coming into effect of this Scheme pursuant to the provisions of Sections 230-232 of the Act.

- 4.5. The immovable properties pertaining to Demerged Undertaking shall stand transferred to the Resulting Company automatically without requirement of execution of any further documents for registering the name of the Resulting Company as owner thereof and the regulatory authorities, including Sub-registrar of Assurances, Talati, Tehsildar etc. may rely on the Scheme along with the copy of the Order passed by the National Company Law Tribunal, to make necessary mutation entries and changes in the land or revenue records to reflect the name of the Resulting Company as owner of the immovable properties. For the purpose of vesting of immovable properties to the Resulting Company, the Demerged Company is hereby empowered/authorized to execute any documents/enter into any arrangements for and on behalf of the Resulting Company.
- 4.6. With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, permissions, registrations or approvals viz., Central Insecticide Board & Registration Committee (CIB&RC) approvals, approvals from State Department of Agriculture, Andhra Pradesh Industrial Infrastructure Corporation (APIIC), etc., or consents held by the Demerged Company required to carry on operations in the Demerged Undertaking shall stand vested in or transferred to the Resulting Company without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Resulting Company. The benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses, and consents shall vest in and become available to the Resulting Company pursuant to the Scheme. In so far as the various incentives, subsidies, rehabilitation Schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by the Demerged Company relating to the Demerged Undertaking, are concerned, the same shall vest with and be available to the Resulting Company on the same terms and conditions.
- 4.7. All the brands, trademarks of the Demerged Undertaking including registered and unregistered trademarks along with all the rights of commercial nature including attached title, goodwill, interest, labels and brand registrations, copyrights, trademarks and all such other industrial and intellectual property rights of whatsoever nature shall stand transferred to the Resulting Company by operation of law. The Resulting Company shall take such actions as may be necessary and permissible to get the same transferred and /or registered in the name of the Resulting Company.
- 4.8. The transfer and vesting of Demerged Undertaking as aforesaid shall be subject to the existing securities, charges, mortgages and other encumbrances if any, subsisting over or in respect of the property and assets or any part thereof relating to the Demerged Undertaking to the extent such



securities, charges, mortgages, encumbrances are created to secure the liabilities forming part of the Demerged Undertaking.

- 4.9. In relation to other assets belonging to Demerged Undertaking, which require separate documents for vesting in the Resulting Company, or which the Demerged Company and/or the Resulting Company otherwise desire to be vested separately, the Demerged Company and the Resulting Company each will execute such deeds, documents or such other instruments or writings or create evidence, if any, as may be necessary.
- 4.10. Any assets acquired by the Demerged Company after the Appointed Date but prior to the Effective Date pertaining to the Demerged Undertaking shall upon the coming into effect of this Scheme also without any further act, instrument or deed stand transferred to and vested in or be deemed to have been transferred to or vested in the Resulting Company upon the coming into effect of this Scheme.

## 5. TRANSFER OF DEBTS AND LIABILITIES

5.1. With effect from the Appointed Date and upon the Scheme becoming effective:

- (a) All debts, liabilities, contingent liabilities arising on or after the Appointed Date in relation to the business activities undertaken on or after Appointed Date, duties and obligations of every kind, nature and description attributable to the Demerged Undertaking ("**Demerged Undertaking Liabilities**") shall, without any further act or deed, be transferred to, or be deemed to be transferred to the Resulting Company so as to become from the Appointed Date, the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company and the Resulting Company undertakes to meet, discharge and satisfy the same. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Sub-Clause.
- (b) Where any of the liabilities and obligations attributed to the Demerged Undertaking (as mentioned above) on the Appointed Date has been discharged by the Demerged Company on behalf of the Demerged Undertaking after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on behalf of the Resulting Company.

5.2. All loans raised and used, and liabilities incurred, if any, by the Demerged Company after the Appointed Date, but prior to the Effective Date, for the operations of the Demerged Undertaking shall be transferred to and discharged by the Resulting Company.



- 5.3. In so far as the existing encumbrances, if any, in respect of the Demerged Undertaking Liabilities are concerned, such encumbrances shall, without any further act, instrument or deed be modified and shall be extended to and shall operate only over the assets comprised in the Demerged Undertaking which has been encumbered in respect of the Demerged Undertaking Liabilities as transferred to the Resulting Company pursuant to this Scheme. Provided that if any of the assets comprised in the Demerged Undertaking which are being transferred to the Resulting Company pursuant to this Scheme have not been Encumbered in respect of the Demerged Undertaking Liabilities, such assets shall remain unencumbered and the existing encumbrances referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.
- 5.4. For the avoidance of doubt, it is hereby clarified that in so far as the assets comprising the Remaining Business Undertaking are concerned, subject to Clause 5.3, the encumbrances, if any, over such assets relating to the Demerged Undertaking Liabilities shall, as and from the Effective Date without any further act, instrument or deed be released and discharged from the obligations and encumbrances relating to the same. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above. Further, in so far as the assets comprised in the Demerged Undertaking is concerned, the encumbrances over such assets relating to any loans, borrowings or other debts or debt securities which are not transferred pursuant to this Scheme (and which shall continue with the Demerged Company), shall without any further act or deed be released from such encumbrances and shall no longer be available as security in relation to such liabilities.
- 5.5. Without prejudice to the provisions of the foregoing clauses and upon the effectiveness of this Scheme, the Demerged Company and the Resulting Company may execute any instrument(s) and/or document(s) and/or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.
- 5.6. All the loans, advances and other facilities sanctioned to the Demerged Company in relation to the Demerged Undertaking by its bankers and financial institutions prior to the Appointed Date, which are partly drawn or utilized shall be deemed to be the loans and advances sanctioned to the Resulting Company and the said loans and advances shall be drawn and utilized either partly or fully by the Demerged Company from the Appointed Date till the Effective Date.
- 5.7. Subject to provisions of sub-para 5.8 below, any contingent liability pertaining to the Demerged Undertaking existing as on the Appointed Date shall be retained by the Demerged Company and the Contingent Liability arising after the Appointed Date with respect to any transaction/ business



undertaken by the Resulting Company after such Appointed Date shall be assumed by the Resulting Company. Accordingly, the contingent liabilities of Demerged Company, arising on any date after the Appointed Date shall be deemed to have been reduced to the extent of contingent liabilities taken over by the Resulting Company as aforesaid.

- 5.8. As regards any tax Liability arising in connection with Income Tax, Excise, Customs, VAT, Goods and Service Tax, etc. in relation to the Demerged Undertaking arising out of the business of Demerged Undertaking carried on until the Appointed Date shall be retained by the Demerged Company and the Resulting Company undertakes to settle the liability directly in relation to the liabilities arising after the Appointed Date in relation to the business undertaken by the Resulting Company..

It is hereby clarified that, for the purpose of this para 5.8, the term "Liability" shall include duty, penalty, interest or any amount paid on compensation.

- 5.9. It is expressly provided that, save as mentioned in this Clause 5, no other term or condition of the liabilities transferred to the Resulting Company as part of the Scheme is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.
- 5.10. The provisions of this Clause 5 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

## 6. ISSUE OF SHARES

- 6.1. Upon this Scheme becoming effective and upon the demerger, transfer and vesting of the Demerged Undertaking of the Demerged Company in the Resulting Company, in terms of this Scheme, the Resulting Company shall, without any further application or deed, issue and allot equity shares credited as fully paid-up, to the extent indicated below, to the members of the Demerged Company, holding fully paid up equity shares in the Demerged Company and whose names appear in the Register of Members & in depositories of the Demerged Company on the Record Date or to such of their respective heirs, executors, administrators or other legal representative or other successors in title as may be recognized by the Board of Directors of the Resulting Company in the following manner ("**Share Exchange Ratio**"):



Issue of shares of the Resulting Company to the Equity Shareholders of the Demerged Company:

*"1 (One) fully paid up Equity Share of INR 2/- (Rupee Two only) each of the Resulting Company shall be issued and allotted for every 1 (One) fully paid up equity share of INR 2/- (Rupee Two only) each held in the Demerged Company".*

- 6.2. If any member of the Demerged Company becomes entitled to any fractional shares, entitlements or credit on the issue and allotment of the equity shares by the Resulting Company in accordance with this Clause 6.1 above, the Board of the Resulting Company shall consolidate all such fractional entitlements and shall round up the aggregate of such fractions to the next whole number and issue consolidated equity shares to a trustee nominated by the Resulting Company (the "Trustee"), who shall hold such equity shares with all additions or accretions thereto in trust for the benefit of the respective shareholders, to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such equity shares in the market at such price or prices and on such time or times within ninety (90) days from the date of allotment, as the Trustee may in its sole discretion decide and on such sale, pay to the Resulting Company, the net sale proceeds (after deduction of applicable taxes and costs incurred) thereof and any additions and accretions, whereupon the Resulting Company shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of the Demerged Company in proportion to their respective fractional entitlements.
- 6.3. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Demerged Company, the Board of Directors of the Demerged Company shall, in compliance of the applicable laws, be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares in the Demerged Company, after the effectiveness of this Scheme.
- 6.4. Subject to Applicable Laws, the equity shares that are to be issued in terms of this Scheme shall be issued in dematerialized form. All those shareholders who hold shares of the Demerged Company in physical form shall provide the requisite details relating to his/ her/ its account with a depository participant or other confirmations as may be required, in writing to the Demerged Company and / or its Registrar before the Record Date. However, if no such details have been provided by the shareholders holding shares in physical form on or before the Record Date, the Resulting Company shall deal with the relevant equity shares in such manner as may be permissible under the Applicable Law, including by way of issuing the corresponding shares in dematerialized form to a separate demat account in term of Regulation 39(2A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.



- 6.5. The Board of Directors of the Resulting Company shall, if and to the extent required, apply for and obtain any approvals from concerned Government /Regulatory authorities and undertake necessary compliance for the issue and allotment of equity shares to the members of the Demerged Company pursuant to Clause 6.1 of the Scheme.
- 6.6. The shares issued by the Resulting Company pursuant to the provisions of Clause 6.1 above in lieu of the shares of the Demerged Company held in the unclaimed suspense account shall be issued to a new unclaimed suspense account created for shareholders of the Resulting Company.
- 6.7. The equity shares to be issued and allotted by the Resulting Company to the equity shareholders of the Demerged Company shall be subject to the Scheme and the Memorandum of Association and the Articles of Association of the Resulting Company.
- 6.8. The existing equity shares i.e., existing and held by the Demerged Company as on the Effective Date shall not stand cancelled or extinguished. Further considering the current shareholding pattern of the Resulting Company and the proposed issue of equity shares in terms of this Scheme and the Share Exchange Ratio, the Demerged Company shall hold 20% of the post-Scheme paid-up equity share capital of the Resulting Company.
- 6.9. The equity shares to be issued by the Resulting Company to the members of the Demerged Company pursuant to Clause 6.1 of this Scheme will be listed and/or admitted to trading in terms of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 read with other applicable laws on all the Stock Exchanges on which shares of the Demerged Company are listed on the Effective Date. The Resulting Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for the Resulting Company with the formalities of the said Stock Exchanges.
- 6.10. The equity shares of the Resulting Company allotted pursuant to the Scheme shall remain frozen in the depositories system till listing and trading permission is given by the Stock Exchange(s). There shall be no change in the shareholding pattern or control in the Resulting Company between the Record Date and the listing which may affect the status of approvals received from the Stock Exchange(s).
- 6.11. The Resulting Company shall, if and to the extent required to, apply for and obtain any approvals from the concerned regulatory authorities including the Reserve Bank of India, for the issue and allotment of equity shares by the Resulting Company to the non-resident equity shareholders of the Demerged Company, if any. The Resulting Company shall comply with the relevant and applicable rules and regulations including the provisions of Foreign Exchange Management Act, 1999, to enable the



Resulting Company to issue and allot equity shares to the non-resident equity shareholders of the Demerged Company.

- 6.12. The approval of this Scheme by the shareholders of the Resulting Company shall be deemed to be the due compliance of the provisions of Section 42 read with 62 of the Act, and the other relevant and applicable provisions of the Act for the issue and allotment of equity shares by the Resulting Company to the shareholders of the Demerged Company, as provided in this Scheme.

## 7. INCREASE OF AUTHORISED SHARE CAPITAL OF RESULTING COMPANY

- 7.1. Upon the Scheme being effective, the Authorized Share Capital of the Resulting Company will automatically stand increased to INR 50,00,00,000 (Rupees Fifty Crores only) divided into 25,00,00,000 Equity Shares of INR 2/- (Rupees Two only) each , as on the Effective Date, without any further act or deed.
- 7.2. The existing capital clause contained in the Memorandum of Association of Resulting Company shall without any act, instrument or deed stand altered, modified and amended pursuant to Sections 13, 61 and 64 of the Act and Section 232 and other applicable provisions of the Act, as set out below:

### **Memorandum of Association**

*"V. The Authorized Share Capital of the Company is INR 50,00,00,000 (Rupees Fifty Crores only) divided into 25,00,00,000 Equity Shares of INR 2/- (Rupees Two only) each with the right to increase or reduce the share capital in accordance with the provisions of the Companies Act 2013. The company shall have powers, at any time and from time to time to increase or reduce capital. Any of the said shares and new shares may at any time and from time to time be divided in to shares of several classes in such manner as the articles of the company may prescribe and the shares of each class may confer such preferred or other special rights and privileges and impose such restrictions and conditions whether in regard to dividend, voting, return of capital or otherwise as may be prescribed in or under the articles of association."*

- 7.3. The approval of this Scheme by the shareholders of the Resulting Company shall be deemed to have the approval for the purpose of effecting the increase of authorised share capital and no further resolutions or compliance under Sections 13, 61 or 64 of the Companies Act, 2013 shall be required to be separately passed in this regard.
- 7.4. The Resulting Company is hereby authorised to do all such acts, deeds, matters and things as may be necessary, desirable or expedient, including making requisite filings, payment of fees, etc., with



the Registrar of Companies and other statutory authorities, to give effect to the provisions of this Clause and to implement the increase of the authorised share capital in accordance with this Scheme.

- 7.5. However, it is clarified that, in the event that the Resulting Company restructures or increases their authorised share capital by way of any corporate actions including but not limited to share split/ consolidation/ further issue/ issue of bonus shares/ during the pendency of the Scheme, the clause of Memorandum of Association of the Resulting Company reproduced in Clause 7.2 above shall be amended accordingly to take into account the effect of any such corporate actions.

## 8. ACCOUNTING TREATMENT

### Accounting treatment in the books of the Demerged Company

Upon the coming into effect of this Scheme and with effect from the Appointed Date:

- 8.1. Upon the Scheme becoming effective, the Demerged Company shall account for the Scheme in its standalone books of accounts in accordance with Appendix A to the Indian Accounting Standard (Ind AS) 10 and Ind AS 28 notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as may be amended from time to time, and generally accepted accounting principles in India
- i. The Demerged Company shall transfer all the assets and liabilities, at their respective carrying amounts, pertaining to the Demerged Undertaking as appearing in the books of accounts of the Demerged Company, being transferred to and vested in the Resulting Company. Accordingly, the Demerged Company shall reduce from its books of accounts the carrying amounts appearing on such date in accordance with the provisions of Section 2(19AA) of the Income Tax Act.
  - ii. Having recorded the transfer of the assets and liabilities, as aforesaid, the Demerged Company shall make necessary adjustments for the sake of compliance with Ind AS notified under Section 133 of the Companies Act, 2013, specifically Appendix A of Ind AS 10, and shall debit equity at the fair value of the Demerged Undertaking.
  - iii. The Demerged Company's investment in Resulting Company shall represent its continuing interest in the carrying value of Assets and Liabilities pertaining to the Demerged Undertaking.
  - iv. The difference between the book value of net assets derecognised, non-cash distribution of assets debited in equity under Clause (ii) and the investment recognised in Clause (iii) above,



if any, shall be recognised in the Statement of Profit and Loss in accordance with Ind AS 10 Appendix A.

### **Accounting treatment in the books of the Resulting Company**

- 8.2 Upon the Scheme being effective, the Resulting Company shall account for the Scheme in its books of accounts in accordance with the Indian Accounting Standard (Ind AS) prescribed under Section 133 of the Act, as may be amended from time to time, and generally accepted accounting principles in India.
- 8.3 The Resulting Company shall provide the following accounting treatment in its books of accounts.
- i. Record the assets and liabilities of the Demerged Undertaking of the Demerged Company, vested in it pursuant to this Scheme at their respective carrying values as appearing in the books of the Demerged Company.
  - ii. The Resulting Company shall credit to its equity share capital, the aggregate of the face value of equity shares issued and allotted by it pursuant to the Scheme and excess, if any, of the fair value of the equity shares issued over the face value of the equity shares issued shall be classified as securities premium under the head "Other Equity".
  - iii. The difference between the fair value of the equity shares issued by the Resulting Company to the shareholders of the Demerged Company as consideration as per Clause 6 and the book value of the assets and liabilities of the Demerged Undertaking received from the Demerged Company will be credited to "Capital Reserve" or debited to Amalgamation Deficit Account, as the case may be, under the head "Other Equity".
  - iv. In case of any differences in accounting policies between the Demerged Undertaking of the Demerged Company and the Resulting Company, the accounting policies followed by the Resulting Company shall prevail to ensure that the financial statements reflect the financial position based on consistent accounting policies.
  - v. The Resulting Company shall restate comparative information from the beginning of the comparative period presented or date of incorporation of Resulting Company, whichever is later.



- vi. Any matter not dealt with in clauses hereinabove shall be dealt with in accordance with the Ind AS applicable to the Resulting Company.
- 8.4 Post giving effect to the Demerger as per Clause 8.2 and 8.3 above, the debit balance of Capital Reserve or Amalgamation Deficit Account, if any, under the head "Other Equity" arising in terms of Clause 8.2(iii), shall be adjusted against the corresponding credit balance of securities premium account arising in terms of Clause 8.2(ii), in the books of Resulting Company.
- 8.5 The Resulting Company will pass appropriate adjustment entries in a prudent and commercially acceptable manner.

**9. REDUCTION OF SECURITIES PREMIUM IN THE BOOKS OF RESULTING COMPANY**

- 9.1. The reduction and utilization of the securities premium account of the Resulting Company as specified in Clause 8.4, shall be effected as an integral part of the Scheme, in accordance with provisions of Sections 230 to 232, without having to follow the process under Section 52 and other applicable provisions of the Act and without any further act or deed on part of the Resulting Company. Accordingly, the order by NCLT sanctioning the Scheme shall also be deemed to be the order passed under applicable provisions of Act for the purpose of confirming such reduction of securities premium account. The reduction of securities premium account as aforesaid would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital and as such the provisions of Section 66 of the Act or the other applicable provisions of the Act will not be applicable in view of the explanation to Section 230 of the Act.
- 9.2. Notwithstanding the reduction in the securities premium account of the Resulting Company, the Resulting Company shall not be required to add "And Reduced" as suffix to its name.
- 9.3. The consent of shareholders of the Resulting Company, and the consent of the secured and unsecured creditors of the Resulting Company, to the Scheme shall be deemed to be sufficient for the purpose of effecting reduction of Securities Premium Account and no further resolution or action under any other provisions of the Act would be required to be separately passed or taken.

**10. PROFITS, DIVIDEND**

- 10.1. The Demerged Company and the Resulting Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date but only consistent with the past practice, or in the ordinary course.



- 10.2. The Boards of the Demerged Company and the Resulting Company or any of the committee(s) thereof, if any, shall take such actions as may be necessary or desirable for the purpose of giving effect to the provisions of this Clause of the Scheme.
- 10.3. Upon the Scheme becoming effective, on and from the Appointed Date, the profits of the Demerged Undertaking shall belong to and be the profits of the Resulting Company and will be available to Resulting Company for being disposed of in any manner as it thinks fit.
- 10.4. Further, it is clarified that any dividends declared or paid by the Demerged Company to its shareholders or for any other purpose, on and from Appointed Date until the Effective Date, shall be out of the profits and cash generated by the Demerged Undertaking, with prior written consent of the Board of Directors of Resulting Company.
- 10.5. It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of Demerged Company and/or Resulting Company to demand or claim any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the Board of Demerged Company and Resulting Company respectively, subject to such approval of the shareholders, as may be required.

**11. CONDUCT OF DEMERGED UNDERTAKING OF THE DEMERGED COMPANY TILL THE EFFECTIVE DATE**

With effect from the Appointed Date and upto and including the Effective Date:

- 11.1. The Demerged Company shall be deemed to have been carrying on and shall carry on its business and activities relating to the Demerged Undertaking and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its properties and assets pertaining to the Demerged Undertaking for and on account of and in trust for the Resulting Company. The Demerged Company hereby undertakes to hold its said assets with utmost prudence until the Effective Date.
- 11.2. The Demerged Company shall carry on and be deemed to have carried on its business and activities relating to the Demerged Undertaking with reasonable diligence, business prudence and shall not, except in the ordinary course of business or without prior written consent of the Resulting Company, alienate charge, mortgage, encumber or otherwise deal with or dispose of the Demerged Undertaking or part thereof.
- 11.3. The Demerged Company shall be entitled to use all entitlements, licenses, permissions, approvals, clearances, authorizations, consents, brands, trademarks, copyrights, patents, other intellectual



property rights, registrations and no-objection certificates for the operations of the Demerged Undertaking or part thereof.

- 11.4. All the profits or income accruing or arising to the Demerged Company or expenditure or losses arising or incurred or suffered by the Demerged Company pertaining to the Demerged Undertaking shall for all purposes be treated and be deemed to be accrued as the income or profits or losses or expenditure as the case may be of the Resulting Company.
- 11.5. The Demerged Company shall not vary the terms and conditions of employment of any of the employees of the Demerged Company pertaining to the Demerged Undertaking except in the ordinary course of business or without the prior consent of the Resulting Company or pursuant to any pre-existing obligation undertaken by the Demerged Company, as the case may be, prior to the Appointed Date.
- 11.6. The Demerged Company shall be entitled, pending the sanction of the Scheme, to apply to the Central/State Government and all other agencies, departments and authorities concerned as are necessary under any law or rules, for such consents, approvals and sanctions, which the Resulting Company may require to carry on the Demerged Undertaking of the Demerged Company.

## **12. EMPLOYEES**

- 12.1. On the Scheme becoming operative, all staff and employees of the Demerged Company pertaining to Demerged Undertaking in service on the Effective Date shall be deemed to have become staff and employees of the Resulting Company without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Resulting Company shall not be less favorable than those applicable to them with reference to their employment in the Demerged Company.
- 12.2. It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund, Employee State Insurance Scheme or any other Special Fund or Trusts, if any, created or existing for the benefit of the staff and employees of the Demerged Company pertaining to Demerged Undertaking or all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Demerged Company in relation to Demerged Undertaking in relation to such Fund or Funds shall become those of the Resulting Company. It is clarified that the services of the staff and employees of the Demerged Company pertaining to Demerged Undertaking will be treated as having been continuous for the purpose of the said Fund or Funds.



### 13. LEGAL PROCEEDINGS

- 13.1. If any suit, appeal or other proceeding of whatever nature by or against the Demerged Company in relation to the Demerged Undertaking is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Demerged Company if arising out of the business activities carried on until the Appointed Date and, enforced by or against the Resulting Company if it is arising out of the business activities carried on from or after the Appointed Date, as the case may be, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Demerged Company in relation to the Demerged Undertaking as if this Scheme had not been made.
- 13.2. After the Appointed Date, if any proceedings are taken against the Resulting Company in respect of the matters referred to in the Clause 13.1 above in respect of suit, appeal or other proceeding against the Demerged Company, the Resulting Company shall defend the same at the cost of the Resulting Company and the Demerged Company shall reimburse and indemnify the Resulting Company against all liabilities and obligations incurred by it in respect thereof and further reimburse all amounts including interest, penalties, damages, costs etc. which the Resulting Company may be called upon to pay or secure in respect of any liability or obligation relating to the business undertaken with respect to the Demerged Undertaking by the Demerged Company.

### 14. TREATMENT OF TAXES AND CONSEQUENTIAL MATTERS RELATING TO TAX

- 14.1. This Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under section 2(19AA) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section of the Income-tax Act, 1961 at a later date including resulting from an amendment of law or for any other reason whatsoever, the Scheme shall stand modified to the extent determined necessary to comply with section 2(19AA) of the Income-tax Act, 1961 or corresponding section(s)/ provision(s) in the amended law. Such modification will however not affect the other parts of the Scheme.
- 14.2. With effect from the Appointed Date and upon the Scheme becoming effective, all taxes, duties, cess payable by the Demerged Company relating to the Demerged Undertaking including all advance tax payments, tax deducted at source or any refunds / credit / claims relating thereto shall, for all purposes, be treated as advance tax payments, tax deducted at source or refunds / credit / claims, as the case may be, of the Resulting Company, provided however that any direct and indirect taxes that cannot specifically be earmarked as the liability or refunds / credit / claims relating to the



Demerged Undertaking shall continue to be borne by the Demerged Company. It is specifically provided that if the Demerged Company or their successor(s) receives any refunds / credit / claims or incurs any liability in respect of the Demerged Undertaking, the same shall be on behalf of and as a trustee of the Resulting Company and the same shall be refunded to / paid by the Resulting Company.

- 14.3. With effect from the Appointed Date and upon the Scheme becoming effective, all unavailed credits and exemptions, margin money, retention money, deposit with statutory authorities, other deposits and benefit of carried forward losses and other statutory benefits, including in respect of income tax, Cenvat, customs, VAT, sales tax, service tax, GST etc. relating to the Demerged Undertaking to which the Demerged Company is entitled to shall be available to and vest in the Resulting Company, without any further act or deed.
- 14.4. If the Demerged Company is entitled to any benefits under the incentive schemes and policies including deduction under the Income-tax Act, 1961 or concessions relating to the Demerged Undertaking under any tax laws or Applicable Laws, the Resulting Company shall be entitled as an integral part of the Scheme to claim such benefit or incentives or deductions as the case may be without any specific approval or permission.
- 14.5. Upon this Scheme becoming effective, the Demerged Company and the Resulting Company are permitted to revise and file their respective income tax returns, including tax deducted at source certificates, GST returns and other tax returns for the period commencing on and from the Appointed Date, and to claim refunds/ credits, pursuant to the provisions of this Scheme.
- 14.6. The Board of Directors of the Demerged Company shall be empowered to determine if any specific tax liability or any tax proceeding relates to the Demerged Undertaking and whether the same would be transferred to the Resulting Company.

**15. CONTRACTS, DEEDS, ETC.**

- 15.1. Subject to the other provisions of this Scheme, all contracts, deeds, bonds, insurance, letters of intent, undertakings, arrangements, policies, agreements and other instruments, if any, of whatsoever nature pertaining to the Demerged Undertaking to which the Demerged Company is a party and which is subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of the Resulting Company and may be enforced by or against the Resulting Company as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party thereto.
- 15.2. The Resulting Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Demerged Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme. The



Resulting Company shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of the Demerged Company for the Demerged Undertaking and to implement or carry out all formalities required to give effect to the provisions of this Scheme.

## **16. REMAINING BUSINESS UNDERTAKING**

16.1. It is clarified that the Remaining Business Undertaking of the Demerged Company shall continue with the Demerged Company as follows:

- (a) The Remaining Business Undertaking of the Demerged Company and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Demerged Company.
- (b) All legal and other proceedings by or against the Demerged Company under any statute, whether pending and / or arising on or after the Appointed Date and relating to the Remaining Business Undertaking of the Demerged Company (including those relating to any property, investments, right, power, liability, obligation or duty, of the Demerged Company in respect of the Remaining Business Undertaking) shall be continued and enforced by or against the Demerged Company.
- (c) With effect from the Appointed Date and including the Effective Date –
  - i. The Demerged Company shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Remaining Business Undertaking for and on its own behalf;
  - ii. All income or profit accruing to the Demerged Company or expenditure or losses arising or incurred by it relating to the Remaining Business Undertaking are and shall for all purposes, be treated as the income or profit or expenditure or losses, as the case may be, of the Demerged Company;

## **17. SAVING OF CONCLUDED TRANSACTIONS**

17.1. The transfer of the Demerged Undertaking from the Demerged Company to the Resulting Company under Clause 4 above and the continuance of proceedings by or against the Resulting Company under Clause 12 above shall not affect any transaction or proceedings already concluded by the Demerged Company or after the Appointed Date till the Effective Date, to the end and intent that the Resulting Company accept and adopts all acts, deeds and things done and executed by the Demerged Company for the Demerged Undertaking in respect thereto as done and executed on behalf of itself.



PART C

GENERAL TERMS AND CONDITIONS

**18. SCHEME CONDITIONAL ON APPROVAL / SANCTIONS**

18.1. The Scheme is conditional upon subject to:

- a) Obtaining no-objection/ observation letter from the Stock Exchanges/ SEBI in relation to the Scheme;
- b) The Scheme being approved by requisite majorities of the members (and in relation to the Demerged Company, through e-voting) and/or creditors of the Demerged Company and the Resulting Company as may be directed by the National Company Law Tribunal;
- c) The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme;
- d) Approval of the Scheme by the National Company Law Tribunal;
- e) Certified copy of the order of the National Company Law Tribunal, sanctioning the Scheme being filed with the Registrar of Companies, Telangana.

18.2. In the event of this Scheme failing to take effect finally, this Scheme shall become null and void and in that case no rights and liabilities whatsoever shall accrue to or be incurred inter-se by the parties or their shareholders or creditors or employees or any other person.

18.3. If any part of this Scheme is invalid, ruled illegal by any Court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of this Scheme, and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the Board of Directors of the Demerged Company and the Resulting Company involved in the Scheme shall attempt to bring about a modification in this Scheme, as will best preserve for the parties the benefits, and obligations of this Scheme, including but not limited to such part.



**19. APPLICATION TO THE NATIONAL COMPANY LAW TRIBUNAL**

- 19.1. The Demerged Company and the Resulting Company shall, with all reasonable dispatch, make a joint application to the National Company Law Tribunal, under Sections 230 to 232 of the Act and other applicable provisions of the Act, seeking orders for dispensing with or convening, holding and conducting of the meetings of the classes of their respective members and / or creditors and for sanctioning this Scheme, with such modifications as may be approved by the National Company Law Tribunal.
- 19.2. The Demerged Company and the Resulting Company shall be entitled, pending the effectiveness of the Scheme, to apply to any Appropriate Authority, if required, under any Applicable Law for such consents and approvals, as agreed between the Demerged Company and the Resulting Company, which the Demerged Company and the Resulting Company may require to effect the transactions contemplated under the Scheme or carry on the Demerged Undertaking, in any case subject to the terms as may be mutually agreed between the Demerged Company and the Resulting Company.
- 19.3. Upon this Scheme becoming effective, the respective shareholders of the Demerged Company and the Resulting Company shall be deemed to have also accorded their approval under all relevant provisions of the Act for giving effect to the provisions contained in this Scheme.

**20. MODIFICATIONS / AMENDMENTS TO THE SCHEME**

- 20.1. Subject to approval of National Company Law Tribunal, the Demerged Company and the Resulting Company by their respective Boards of Directors ("**the Board**", which term shall include Committee thereof), may assent to/make and/or consent to any modifications/amendments to the Scheme or to any conditions or limitations that the National Company Law Tribunal and/or any other Appropriate Authority under law may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate as a result of subsequent events or otherwise by them (i.e. the Board of Directors). The Demerged Company and the Resulting Company by their respective Board are authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whatsoever for carrying the Scheme, whether by reason of any directive or Orders of any other authorities or otherwise howsoever, arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

**21. EFFECT OF NON-RECEIPT OF APPROVALS/ SANCTIONS**

- 21.1. In the event of any of the said sanctions and approvals referred to in the preceding Clause not being obtained and/ or the Scheme not being sanctioned by the National Company Law Tribunal or such



other Appropriate Authority and / or the Order not being passed as aforesaid within such period or periods as may be agreed upon between the Demerged Company and the Resulting Company by their Board of Directors, the Board of Directors of the Demerged Company and the Resulting Company are hereby empowered and authorized to agree to and extend the Scheme from time to time without any limitation, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

## **22. COST, CHARGES, AND EXPENSES**

- 22.1. All costs, charges, fees, taxes including duties (including the stamp duty and/or transfer charges, if any, applicable in relation to this Scheme), levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in carrying out and implementing the terms and conditions of this Scheme and matters incidental thereto shall be borne and paid by the Demerged Company / Resulting Company as agreed by them respectively and the same shall be eligible for deduction of expenditure incurred as per section 35DD of the Income-tax Act, 1961.

## **23. WITHDRAWAL OF THIS SCHEME**

- 23.1. The Demerged Company and/or the Resulting Company shall be at liberty to withdraw the Scheme, any time before the Scheme is effective.
- 23.2. In the event of withdrawal of the Scheme under Clause 22.1 above, no rights and liabilities whatsoever shall accrue to or be incurred amongst the Demerged Company and/or the Resulting Company and/or their respective shareholders or creditors or employees or any other person.



**SCHEDULE I**

**DETAILS OF THE TRADEMARKS OF THE DEMERGED UNDERTAKING**

S. No.	Trademark / Logo Description	Type (Word/Device)	Jurisdiction	Class	Application / Registration No.	Status (Registered / Pending / Opposed)	Date of Application / Registration	Current Owner
1	GLANZ	WORDMARK	Chennai	5	6421456	Registered	7 May 2024	NATCO PHARMA LIMITED
2	ATMOS	WORDMARK	Chennai	5	6760030	Pending	17 December 2024	NATCO PHARMA LIMITED
3	NATCORE	WORDMARK	Chennai	5	4521023	Opposed	5 June 2020	NATCO PHARMA LIMITED
4	TOPRASURE	WORDMARK	Chennai	5	6715807	Pending	19th November 2024	NATCO PHARMA LIMITED
5	NATPEARL	WORDMARK	Chennai	5	5192757	Registered	29 October 2021	NATCO PHARMA LIMITED
6	ASTOR	WORDMARK	Chennai	5	6715808	Pending	19th November 2024	NATCO PHARMA LIMITED
7	NATZOATE	WORDMARK	Chennai	5	4480294	Registered	21 March 2020	NATCO PHARMA LIMITED
8	NATERRA	WORDMARK	Chennai	5	4283519	Registered	4 September 2019	NATCO PHARMA LIMITED
9	NATGEN	WORDMARK	Chennai	5	4283518	Registered	4 September 2019	NATCO PHARMA LIMITED
10	HATRIK	WORDMARK	Chennai	5	6162885	Registered	25 October 2023	NATCO PHARMA LIMITED
11	CYANAT	WORDMARK	Chennai	5	6382335	Registered	10 April 2024	NATCO PHARMA LIMITED
12	NATLIGO	WORDMARK	Chennai	5	4985597	Registered	27 May 2021	NATCO PHARMA LIMITED



13	NATLIKA	WORDMARK	Chennai	5	5436771	Opposed	5 May 2022	NATCO PHARMA LIMITED
14	NATGEN PRO	WORDMARK	Chennai	5	5683964	Opposed	16 November 2022	NATCO PHARMA LIMITED
15	NATJEWEL FS	WORDMARK	Chennai	5	4446724	Registered	19 February 2020	NATCO PHARMA LIMITED
16	NATDUO	WORDMARK	Chennai	5	4893997	Registered	8 March 2021	NATCO PHARMA LIMITED
17	BOSNAT	WORDMARK	Chennai	5	6382336	Registered	10 April 2024	NATCO PHARMA LIMITED
18	NATLAM	WORDMARK	Chennai	5	5194314	Registered	29 October 2021	NATCO PHARMA LIMITED
19	GLACPOT	WORDMARK	Chennai	1	5855972	Registered	20 March 2023	SOWBHAGYA BIOTECH PVT. LTD.
20	NATVOL	WORDMARK	Chennai	5	4998971	Registered	9 June 2021	NATCO PHARMA LIMITED
21	OMNINAT	WORDMARK	Chennai	5	6162887	Registered	25 October 2023	NATCO PHARMA LIMITED
22	PRIDONAT	WORDMARK	Chennai	5	6162894	Registered	25 October 2023	NATCO PHARMA LIMITED
23	NATNEXT	WORDMARK	Chennai	5	6162911	Registered	25 October 2023	NATCO PHARMA LIMITED
24	VINASAK	WORDMARK	Chennai	5	6228158	Accepted & Advertised	20 December 2023	NATCO PHARMA LIMITED
25	NATWEEZ	WORDMARK	Chennai	5	6162904	Registered	25 October 2023	NATCO PHARMA LIMITED
26	XYMEN	WORDMARK	Chennai	5	6760032	Pending	17 December 2024	NATCO PHARMA LIMITED
27	SLAYDEN	WORDMARK	Chennai	5	6471939	Registered	10 June 2024	NATCO PHARMA LIMITED



**SCHEDULE II**

**DETAILS OF PRODUCT REGISTRATIONS OF THE DEMERGED UNDERTAKING**

Product/ Trade Name	CAT (Type of Formulat ion)	Type/ Category	Registration number	Date of registratio n	Registration Granting authority
GLANZ	WG	Fungicide	CIR-21208/2024-Tebuconazole+ Trifloxystrobin (WG) (456)	03.07.2024	Central Insecticide Board & Registration Committee
ATMOS	SC	Insecticide	CIR-349155/2025-Cyantraniliprole + Diafenthiuron (SC) (461)-5	16.03.2025	Central Insecticide Board & Registration Committee
NATCORE	SC	Fungicide	CIR-173493/2020-Azoxystrobin + Tebuconazole (SC) (417)-971	02.12.2020	Central Insecticide Board & Registration Committee
TOPRASU RE	SC	Herbicide	CIR-344964/2024-Topramezone (SC) (459)-261	06.11.2024	Central Insecticide Board & Registration Committee
NATPEAR L	SC	Fungicide	CIR-193359/2021-Azoxystrobin + Difenoconazole (SC) (431)-2076	11.10.2021	Central Insecticide Board & Registration Committee
ASTOR	FS	Insecticide	CIR-347961/2025-Chlorantraniliprole (FS) (461)-9	24.02.2025	Central Insecticide Board & Registration Committee
NATZOAT E	SG	Insecticide	CIR-298589/2023-Emamectin Benzoate (SG) (445)-224	04.04.2023	Central Insecticide Board & Registration Committee
NATERRA	GR	Insecticide	CIR-181146/2021-Chlorantraniliprole (GR) (428)-136	23.06.2021	Central Insecticide Board & Registration Committee
NATGEN	SC	Insecticide	CIR-181145/2021-Chlorantraniliprole (SC) (428)-135	23.06.2021	Central Insecticide Board & Registration Committee



Product/ Trade Name	CAT (Type of Formulat ion)	Type/ Category	Registration number	Date of registratio n	Registration Granting authority
HATRIK	EC	Insecticide	CIR-298590/2023-Tolfenpyrad (EC) (445)-242	04.04.2023	Central Insecticide Board & Registration Committee
CYANAT	OD	Insecticide	CIR-22394/2024-Cyantraniliprole 10.26% OD (460)	10.02.2025	Central Insecticide Board & Registration Committee
NATLIGO	ZC	Insecticide	CIR-181144/2021-Chlorantraniliprole + Lambda-Cyhalothrin (ZC) (428)-134	23.06.2021	Central Insecticide Board & Registration Committee
NATLIKA	ZC	Insecticide	CIR-196400/2021-Thiamethoxam + Lambda- Cyhalothrin (ZC) (434)-3424	14.12.2021	Central Insecticide Board & Registration Committee
NATGEN PRO	WG	Insecticide	CIR-18454/2023-Chlorantraniliprole (WG) (445)	10.05.2023	Central Insecticide Board & Registration Committee
NATJEWEL FS	FS	Insecticide	CIR-167884/2019-Thiamethoxam (FS) (409)-2094	23.12.2019	Central Insecticide Board & Registration Committee
NATDUO	GR	Insecticide	CIR-189914/2021-Thiamethoxam + Chlorantraniliprole (GR) (430)-3160	14.09.2021	Central Insecticide Board & Registration Committee
BOSNAT	WG	Fungicide	CIR-20694/2024-Boscalid + Pyraclostrobin (WG) (454)	24.04.2024	Central Insecticide Board & Registration Committee
NATLAM	CS	Insecticide	CIR-193363/2021-Lambda-cyhalothrin (Capsule Suspension) (431)-1999	11.10.2021	Central Insecticide Board & Registration Committee
NATVOL	SC	Insecticide	CIR-181142/2021- Chlorantraniliprole + Thiamethoxam (SC) (428)-133	23.06.2021	Central Insecticide Board & Registration Committee
OMNINAT	SC	Herbicide	CIR-176355/2021-Bispyribac sodium (SC) (423)-136	11.02.2021	Central Insecticide Board & Registration Committee



Product/ Trade Name	CAT (Type of Formulat ion)	Type/ Category	Registration number	Date of registratio n	Registration Granting authority
PRIDONA T	WG	Fungicide	CIR-335484/2023-Pyraclostrobin (WG) (449)-269	04.09.2023	Central Insecticide Board & Registration Committee
NATNEXT	SC	Insecticide	CIR-322820/2023-Chlorantraniliprole + Abamectin (SC) (444)-484	08.05.2023	Central Insecticide Board & Registration Committee
VINASAK	WG	Insecticide	CIR-337010/2024-PYMETROZINE (WG) (452)-874	04.01.2024	Central Insecticide Board & Registration Committee
NATWEEZ	WP	Herbicide	CIR-337139/2024-Pyrazosulfuron ethyl (WP) (452)- 545	04.01.2024	Central Insecticide Board & Registration Committee
XYMEN	WG	Herbicide	CIR-345965/2024- Pyroxasulfone (WG) (460)-169	23.12.2024	Central Insecticide Board & Registration Committee
SLAYDEN	EC	Herbicide	CIR-21385/2024- Pinoxaden 5.1% EC (457)	05.08.2024	Central Insecticide Board & Registration Committee



### SCHEDULE III

#### DETAILS OF ASSETS AND LIABILITIES OF THE DEMERGED UNDERTAKING AS ON 31<sup>ST</sup> DECEMBER 2025

Particulars	Amount (in INR Millions)
<b>Assets</b>	
<u>Non-current assets</u>	
Property, plant and equipment	1,432.206
Capital work-in-progress	31.373
<u>Financial assets</u>	
Other financial assets	4.382
Other non-current assets	3.741
<b>Total Non-current assets</b>	<b>1,471.704</b>
<u>Current assets</u>	
Inventories	718.428
<u>Financial assets</u>	
Trade receivables	807.737
Cash and cash equivalents	1,000.140
Other current assets	202.257
<b>Total Current assets</b>	<b>2,732.843</b>
<b>TOTAL ASSETS</b>	<b>4,204.547</b>
<b>Liabilities</b>	
<u>Non-current liabilities</u>	
<u>Financial liabilities</u>	
Other financial liabilities	47.804
Provisions	44.210
<b>Total Non-current financial liabilities</b>	<b>92.014</b>
<u>Current liabilities</u>	
<u>Financial liabilities</u>	
Trade payables	132.992
Other financial liabilities	45.343
Other current liabilities	34.690
Provisions	306.466
<b>Total current liabilities</b>	<b>519.492</b>
<b>TOTAL LIABILITIES</b>	<b>611.505</b>

