



# NATCO PHARMA LIMITED

Registered Office; NATCO House, Road No.2, Banjara Hills, Hyderabad- 500 034, Telangana

Phone No. 040-23547532, Fax No. 23548243, website: www.natcopharma.co.in

Email: investors@natcopharma.co.in

CIN: L242301981PLC003201

## POSTAL BALLOT FORM

Serial No. \_\_\_\_\_

- (1) Name(s) of Shareholder(s) (including joint-holders, if any) \_\_\_\_\_
- (2) Registered Address of the sole / First named shareholder \_\_\_\_\_
- (3) Registered Folio No. / DP ID No. / Client ID No.\*  
(\*Applicable to investors holding shares in demat form) \_\_\_\_\_
- (4) Total No. of Shares held \_\_\_\_\_
- (5) I/ We hereby exercise my / our vote in respect of the following resolution to be passed through postal ballot for the business stated in the notice of the Company by sending my / our assent / dissent to the said resolution by placing tick ( ✓ ) at the appropriate box below:

Sr. No.	Description	No. of equity shares	I/We assent to the resolution	I/We dissent to the resolution
1	Special Resolution for Approval of Merger of Natco Organics Limited (NOL) A WOS into the Company			

Place \_\_\_\_\_

Date \_\_\_\_\_

Signature of the member  
(Refer Instruction No. 3 given below)

Note : Please read the instructions printed hereunder carefully before exercising your vote.

## INSTRUCTIONS

1. A member desiring to exercise vote by postal ballot may complete this postal ballot form and send it to the Company in the attached self-addressed envelope. Postage will be borne and paid by the Company. However, envelopes containing postal ballots, if sent by courier at the expenses of the registered shareholder will also be accepted
2. The self-addressed envelope bears the address of the scrutinizer appointed by the Board of Directors of the Company.
3. This form should be completed and signed by the shareholders. In case of Joint holding, this form should be completed and signed (as per the specimen signature registered with the Company) by the first named shareholders and in his absence, by the next named shareholder.
4. Unsigned, incomplete or incorrectly ticked postal ballot form(s) will be rejected.
5. Where the postal ballot form has been signed by an authorized representative of a body corporate, a certified copy of the relevant authorization to vote on the postal ballot should accompany the postal ballot form
6. A Shareholder need not use all this votes nor does he need to cast all his votes in the same way.
7. Duly signed and completed postal ballot form should reach the Company not later than 5.00 p.m. on 28th November, 2015. Postal ballot forms received after this date will be strictly treated as if reply from the shareholder has not been received.
8. A share holder may request for a duplicate postal ballot form, if so required. However, the duly filled in duplicate postal ballot form should reach the Scrutinizer not later than the date specified at item 7 above.
9. Voting rights shall be reckoned on the paid up value of shares registered in the name of the shareholders on 23rd October, 2015.
10. Share holders are requested not to send any other paper alongwith the postal ballot form in the enclosed self-addressed envelope as the envelope will be sent to the scrutinizer and any extraneous paper found in the envelope would not be acted upon and destroyed by the scrutinizer.
11. The scrutinizer's decision on the validity of a postal ballot will be final.



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## POSTAL BALLOT NOTICE

*[Notice Pursuant to Section 110 of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014]*

To,  
The Members

Notice is hereby given to the Members of the Company pursuant to Sections 108 and 110 of the Companies Act, 2013 read with Rules 20 and 22 respectively, of the Companies (Management and Administration) Rules, 2014 and other applicable provisions of the Companies Act, 2013 and the rules, circulars and notifications made thereunder (including any statutory modification or re-enactment thereof), Clause 35b of the Listing Agreement and circular number CIR/CFD/DIL/5/2013 dated 04/02/2013 read with CIR/CFD/DIL/8/2013 dated 21/05/2013 both issued by the Securities and Exchange Board of India ('SEBI Circulars') for the approval of Members of the Company for the Scheme of Amalgamation of Natco Organics Limited (NOL), a wholly owned subsidiary (WOS) of the Company into the Company (the 'Scheme').

On 16<sup>th</sup> December, 2014, the company made preferential allotment for consideration other than cash and allotted 1,61,775 (one lakh sixty one thousand seven hundred seventy five) Equity Shares of Rs. 10/- each, at a price of Rs. 1200/- (Rupees one thousand two hundred only) per share to the promoters of NATCO Organics Limited to make it a 100 % subsidiary.

As required by the SEBI Circulars the Company is seeking the approval of its Public Shareholders to the Scheme by way of postal ballot and e-voting, as set out under SEBI Circulars. For this purpose the term "Public" shall have the meaning assigned to it in Rule 2(d) of the Securities Contract (Regulation) Rules, 1957 and the term "Public Shareholders" shall be construed accordingly.

The proposed resolution for approving the Scheme by way of postal ballot and e-voting, along with the Explanatory Statement, is set out hereinafter for the consideration of Members.

The Public Shareholders of the Company may cast their votes either through the postal ballot form or electronically i.e. through e-voting. It is clarified that the Public Shareholders can opt for only one mode of voting i.e., either through postal ballot or e-voting.

The Applicant Company has entered into an agreement with Central Depository Services (India) Limited to provide the Public Shareholders of the Company, the platform to vote electronically. Public Shareholders desirous of voting electronically are requested to carefully read the instructions for e-voting enumerated in the notes to the Notice. Public Shareholders who wish to exercise their vote using postal ballot are requested to carefully go through the instructions printed overleaf and in the enclosed postal ballot form.

The voting including e-voting will commence on 30<sup>th</sup> October, 2015 at 9.00 a.m. and will end on 28<sup>th</sup> November, 2015 at 5.00 p.m. You are requested to carefully read the instructions printed in the postal ballot form and return the form duly completed and signed in the enclosed self-addressed postage pre-paid envelope so as to reach the Scrutinizer on or before on 28<sup>th</sup> November, 2015. Postal ballot forms/votes received after the said date will be treated as if such Public Shareholder have not exercised their vote(s).

This notice is given in terms of the said SEBI Circulars for consideration of the following resolution by postal ballot and e-voting:

### SPECIAL BUSINESS:

#### 1. APPROVAL OF MERGER OF NATCO ORGANICS LIMITED (NOL) A WOS INTO THE COMPANY

To consider and, if thought fit, to pass the following resolution as special resolution with requisite majority as per the SEBI Circulars:

**"RESOLVED THAT** pursuant to Sections 391 to 394 and other applicable provisions, if any, of the Companies Act, 1956 and all other applicable laws, regulations, listing agreements, and guidelines issued by regulatory authorities and subject to the approval of the creditors, bankers and financial institutions and subject to the order(s) issued by the Hon'ble High Court of Judicature at Madras, the Natco Organics Limited a wholly owned subsidiary of the Company be amalgamated with the company with effect from 01-04-2015 or such other date as approved by the Hon'ble High Court of Judicature at Madras being the 'Appointed Date'.

**RESOLVED FURTHER THAT** the scheme of amalgamation be and is hereby approved and that Mr Rajeev Nannapaneni, Vice-Chairman and Chief Executive Officer, and Mr M. Adinarayana, Company Secretary & V.P. (Legal & Corporate Affairs) (FCS No. 3808) of the Company, be and are hereby severally authorized to make such alterations and changes therein as may be necessary or expedient in the said Scheme of Amalgamation.

**RESOLVED FURTHER THAT** Mr M. Adinarayana, C.S. & V.P. (Legal & Corporate Affairs) of the Company is hereby authorised to obtain various approvals, permissions, certifications, etc., if any, required from appropriate professionals / agencies / authorities and to do such acts, deeds and things as may be considered necessary and deem fit to give effect to the above said resolution and to file all necessary documents, applications and forms to the concerned authority (ies), as may be required."

By Order of the Board  
For NATCO Pharma Limited

Place: Hyderabad  
Date: 10/09/2015

**M. Adinarayana**  
Company Secretary &  
Vice President (Legal & Corp Affairs)

## NOTES

- 1) An explanatory statement pursuant to Section 102(1) of the Companies Act, 2013, Observation Letters from Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) and Complaints Report are annexed hereto.
- 2) Requisite Majority shall mean “votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against the resolution”.
- 3) Corporate Members are requested to send a duly certified copy of the Board Resolution/power of attorney authorizing their representative to vote on their behalf while sending the Postal Ballot to the Scrutinizer.
- 4) Relevant documents referred to in Notice are open for inspection by the members at the Registered Office of the company on all working days, during business hours up to the last date of the receipt of Postal Ballot.
- 5) Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses for receiving all communications including Annual Report, Notices, Circulars, etc. from the Company in electronic mode.
- 6) Pursuant to Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members’ the facility to vote by electronic means through e-voting services provided by CDSL e-voting platform.
- 7) E-voting shall not be allowed beyond 5 p.m. on 28<sup>th</sup> November, 2015 and shall be disabled by CDSL for voting thereafter. During the e-voting period, Public Shareholders of the company, holding shares either in physical form or in dematerialised form, as on 23<sup>rd</sup> October, 2015, 2015 may cast their vote electronically.

8) **The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on 30<sup>th</sup> October, 2015 at 9.00 a.m. and ends on 28<sup>th</sup> November, 2015 by 5.00 p.m. During this period Public Shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23<sup>rd</sup> October, 2015 may cast their vote(s) electronically.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>● In case the sequence number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account in format (dd/mm/yyyy).
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account. <ul style="list-style-type: none"> <li>● Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on “SUBMIT” tab.

- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential and secure.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolution contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired by you. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTION FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your casted vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of account(s) should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the account(s) they would be able to cast their vote.
  - A scanned copy of the Board Resolution or Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (xix) The Company has appointed, Ms. Bindhu Kilari, Practicing Company Secretary, CP No. 106431 as a Scrutinizer(s) to scrutinize the Postal Ballot and e- voting process in a fair and transparent manner.

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

### **APPROVAL OF MERGER OF NATCO ORGANICS LIMITED (NOL) A WOS INTO THE COMPANY**

The Board of Directors of your company at their meeting held on 10th September, 2015 proposed the amalgamation of NOL into the company in order to strengthen the core competencies of both the Companies.

Pursuant to Clause 24(f) of the Listing Agreement the Company had filed the Scheme and other relevant documents and reports with the Stock Exchanges as required under SEBI Circular No. CIR/CFD/DIL/5/2013 dated 04/02/2013 read with CIR/CFD/DIL/8/2013 dated 21/05/2013 both issued by the Securities and Exchange Board of India ('SEBI Circulars') in order for the Stock Exchanges to provide 'Observation Letter' to the Company. Accordingly, the Company had received the Observation Letters from NSE and BSE dated August 20, 2015 and August 21, 2015 respectively which are annexed to this notice.

The proposed amalgamation would ensure greater strategy to the activities and would result in carrying on the business more efficiently and effectively. It would also result in enlarging its area of operations, to acquire and expand to new markets, to invest any surplus funds in new area of operations.

## SCHEME OF AMALGAMATION

OF

**M/s. NATCO PHARMA LIMITED – Transferee Company**

And

**M/s. NATCO ORGANICS LIMITED – Transferor Company**

### PART – I

#### DEFINITIONS:

1. In this Scheme unless repugnant to the meaning or context thereof, the following expressions shall have the meanings given to them below:

- (i) “Act” means the Companies Act, 1956 and any amendments and/or re-enactment thereof, for the time being in force.
- (ii) “Transferee Company” means M/s. NATCO Pharma Limited, a company incorporated under the Act having its registered office at NATCO House, Road No.2, Banjara Hills, Hyderabad 500033, Telangana.
- (iii) “Transferor Company” means M/s. NATCO Organics Limited incorporated under the Act having its registered office at New No.37, Old No.18/2, 1<sup>st</sup> Main Road, CIT Colony, Mylapore, Chennai 600004, Tamil Nadu, India
- (iv) “Appointed Date” means 01.04.2015 or such other date as approved by the Hon’ble High Court of Judicature at Madras.
- (v) “Board” means the board of directors of the Transferor Company or the Transferee Company as the case may be.
- (vi) “Effective Date” means the last of the dates on which sanctions, approvals or orders specified in the scheme are obtained and the certified true copies of the orders of the Hon’ble High Court of Judicature at Madras sanctioning this Scheme are filed with the Registrar of Companies, Tamil Nadu.
- (vii) “Scheme” means the Scheme of Amalgamation between M/s. NATCO Pharma Limited and M/s. NATCO Organics Limited as set out herein or with any modifications approved or imposed or directed by the High Court of Judicature at Madras
- (viii) “Share holder” means a person holding equity shares, who is registered as a member in the Register of Members of the Transferor Company or the Transferee Company as the case may be or whose name appears as the beneficial owner of the equity shares in the records of depository(s) on such dates as specified in the Scheme.
- (ix) “Undertaking of the Transferor Company” includes:-
  - (a) all the assets and properties of the Transferor Company as on the Appointed Date;
  - (b) all debts, liabilities, duties, responsibilities and obligations of the Transferor Company as on the Appointed Date;

Without prejudice to the generality of the above, (i) the assets and properties of the Transferor Company shall include the entire business and all rights, privileges, powers and authorities and all property, movable or immovable, real, corporeal or incorporeal, in possession or reversion, present or contingent of whatever nature and where so ever situated, including fixed assets, capital works in progress, current assets, investment of all kind, approvals, permissions, consents, exemptions, registrations, no-objection certificates and certifications, permits, quotas, rights, entitlements, tenancies, roof rights, trademarks, service marks, know-how, technical know-how, technology, trade names, descriptions, trading style, franchises, labels, label designs, colour schemes, utility models, holograms, bar codes, designs, patents, copyrights, privileges and any rights, title or interest in intellectual property rights, technology, benefits of security arrangements, contracts, agreements and all other rights including lease rights, licenses including those relating to trademarks, or service marks, easements, advantages, exemptions, benefits, powers and facilities of every kind, nature and description whatsoever of the Transferor Company or to which the Transferor Company is entitled including right to use of telephones, telex, facsimile connections and installations, electricity, power lines, communication lines and other services, reserves, deposits, provisions, funds, subsidies, grants, tax credits, and any accretions or additions arising to any of the foregoing after the Appointed Date and (ii) all the debts, liabilities, duties, responsibilities and obligations of Transferor Company shall include all obligations of whatsoever kind including liabilities for payment of gratuity, provident fund or compensation in the event of retrenchment, sales tax, service tax and other statutory dues.

### PART – II

2. References in the Scheme to “upon the Scheme becoming effective” or “effectiveness of the Scheme” shall mean the Effective Date.

#### A. CAPITAL STRUCTURE

The capital structure of the two companies as are parties to the present Scheme, is as under:-

(i) **Transferor Company**

The capital structure of the Transferor Company as at 31.03.2015 is as follows:

Particulars	Amount (In Rs.)
<b>Authorised</b> 8,00,00,000 Equity Shares of Rs. 10/- each	80,00,00,000
<b>Issued, Subscribed and Paid-up</b> 7,96,93,945 Equity Shares of Rs. 10 each, fully paid-up	79,69,39,450

(ii) **Transferee Company**

The capital structure of the Transferor Company as at 31.03.2015 is as follows:

Particulars	Amount (In Rs.)
<b>Authorised</b> 40,000,000 Equity Shares of Rs. 10/- each	40,00,00,000
<b>Issued, Subscribed and Paid-up</b> 3,32,34,849 Equity Shares of Rs. 10 each, fully paid-up	33,23,48,490

**B. OBJECTIVE OF THE SCHEME:**

1.1. The Transferor Company and the Transferee Company propose this Scheme for the following reasons:

- (i) Consolidation of operations of the Transferor Company and the Transferee Company leading to integrated supply chain, thereby providing further synergies;
- (ii) Unified branding of "NATCO" in markets which follow both branded and generics business models thereby leveraging the available infrastructure for strengthening the position in such markets;
- (iii) Providing flexibility in the overall organizational structure thereby enabling to achieve operational and management efficiency;
- (iv) Realignment of the corporate structure of the NATCO group in line with its business objectives in order to enhance the long term value of the shareholders; and
- (v) Harmonization of the product pipeline enabling transfer of products across markets thereby de-risking business profile of the Transferee Company;

**C. TRANSFER OF ASSETS**

- I. With effect from the Appointed Date and upon the Scheme becoming effective, all the assets and properties, both movable and immovable, investments, rights, Lease, title and interests comprised in the Undertaking of the Transferor Company shall without any further act or deed be transferred to, and vested in, or deemed to have been transferred to, and vested in the Transferee Company so as to become as and from the Appointed Date, the estate, assets, rights, title and interests of the Transferee Company.
- II. With effect from the Appointed Date and upon the Scheme becoming effective, all rights and licenses relating to trademarks, know-how, technical know-how, technology, trade names, descriptions, trading style, franchises, labels, label designs, colour schemes, utility models, holograms, bar codes, designs, patents, copyrights, privileges and any rights, title or interest in intellectual property rights (including applications submitted to the registration authorities on or before the Effective Date by the Transferor Company), tenancies with the consent of the landlord wherever necessary, powers, facilities of every kind and description of whatsoever nature in relation to the Undertaking of the Transferor Company to which the Transferor Company is a party or to the benefit of which the Transferor Company may be entitled/eligible and which are subsisting or have effect immediately before the Appointed Date, shall be in full force and effect on, or against, or in favour of, the Transferee Company as the case may be, and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto.
- III. In particular, with effect from the Appointed Date and upon the Scheme becoming effective, all licenses, sanctions, consents, authorization approvals and permissions (whether statutory or otherwise) of the Transferor Company pertaining to the conduct of its business (including, without limitation, benefits, remissions, special reservations available to the Transferor Company, under any income tax, sales tax (including any benefits related to the deferment of sales tax) shall vest in the Transferee Company and the concerned licensors and guarantors of such approvals or permissions, shall endorse and record the Transferee Company on such approvals and permissions so as to empower and facilitate the approval and vesting of the Undertaking of the Transferor Company in the Transferee Company without hindrance or let from the Appointed Date.
- IV. All assets and properties as are moveable in nature, or are otherwise capable of transfer by physical delivery or by endorsement and delivery, shall stand so transferred by the Transferor Company, without requiring any deed or instrument of conveyance for the

same and shall become the property of the Transferee Company accordingly and such transfer shall be deemed to have taken place at the Registered Office of the Transferee Company.

#### **D. TRANSFER OF LIABILITIES**

- I. With effect from the Appointed Date and upon the Scheme becoming effective, all secured and unsecured debts, borrowings, bills payable, interest accrued and all other duties, debts, liabilities, undertakings and obligations of the Transferor Company along with any charge, encumbrance, lien or security thereon (Liabilities) shall, pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Act, without any further act, instrument or deed, be and stand transferred to and vested in or be deemed to be transferred to and vested in, the Transferee Company so as to become the Liabilities of the Transferee Company from the Appointed Date and further 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 liabilities, duties and obligations have arisen in order to give effect to the provisions of this clause.
- II. To the extent that there are any loans, outstandings or balances due from the Transferor Company to the Transferee Company or vice versa the obligations in respect thereof shall be extinguished upon the merger of interest between the creditor and debtor and corresponding effect shall be given in the books of account and records of the Transferee Company as on the Appointed Date and upon the Scheme becoming effective.

#### **E. ACCOUNTING MATTERS:**

- I. With effect from the Appointed Date and upon the Scheme becoming effective, subject to any corrections and adjustments as may in the opinion of the board of directors of the Transferee Company be required, shall account for the amalgamation of Transferor Company, as per the Accounting Standards(AS).

#### **F. Sales Tax/Subsidy / Other Tax benefits**

All the Sales tax/State subsidy benefits from the Government of Tamil Nadu, given to the Transferor company, such benefits to the extent not utilized, not availed or not received by the Transferor Company shall be transferred to the Transferee Company, without any further act or deed by the Transferee Company, as if they were given to the Transferee Company in the first instance after the Appointed Date.

The Transferee Company is entitled to get reimbursed the Advance taxes paid, if any, by the Transferor Company and any other benefits attracted under provisions of Accounting Standards prevailed under the laws of India and any other origin including but not limited to consolidation of accounts under Income Tax Act, 1961.

#### **G. CONTRACTS**

- I. With effect from the Appointed Date and upon the Scheme becoming effective, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Undertaking of the Transferor Company to which the Transferor Company is a party or to the benefit of which the Transferor Company may be entitled/eligible, and which are subsisting or have effect immediately before the Appointed Date, shall be in full force and effect on, or against, or in favour of, the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto.
- II. For the avoidance of all doubt, it is expressly made clear that the dissolution of the Transferor Company without the process of winding up as contemplated hereafter, shall not affect the previous operation of any contract, agreement, deed or any instrument or the like to which the Transferor Company is a party or is the beneficiary of (as the case may be) and any reference in such agreements, contracts, deeds and instruments to the Transferor Company shall be construed as reference only to the Transferee Company with effect from the Effective Date.

#### **H. LEGAL PROCEEDINGS**

On and from the Appointed Date and upon the Scheme becoming effective, all suits, actions and other legal proceedings by or against the Transferor Company under any statute or otherwise, whether pending, or arising, before the Appointed Date shall be continued and enforced by or against the Transferee Company.

#### **I. EMPLOYEES**

- I. All permanent employees of the Transferor Company as on the Effective Date shall as from such date, become employees of the Transferee Company in such position, rank and designation as may be determined by the Transferee Company with the benefit of continuity of service and such that the terms and conditions of their employment with the Transferee Company are not less favorable than those applicable to them as employees of the Transferor Company on such date. With regard to provident fund, gratuity fund, or any other special fund created or existing for the benefit of such employees of the Transferor Company, from the Effective Date the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever in relation to the administration or operation of such fund or funds and 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 or other documents provided that if the Transferee Company considers it desirable for the smooth administration, management, operation and uniformity of such funds, the same may be merged with similar funds of the Transferee Company. It is the aim and intent of the Scheme that all the

rights, duties, powers and obligations of the Transferor Company in relation to such schemes or funds shall become those of the Transferee Company. It is clarified that the services of the employees of the Transferor Company will be treated as having been continuous for the purpose of the aforesaid schemes, funds and trusts.

- II. In the event that trustees are constituted as holders of any securities, trust funds or trust monies, in relation to any provident fund trust, gratuity trust of the Transferor Company, such funds shall be transferred by such trustees of the trusts of the Transferor Company, to separate trusts and the trustees of the Transferee Company set up for the same purpose and object and shall be deemed to be a transfer of trust property from one set of trustees to another set of trustees in accordance with the provisions of the relevant labour laws, Indian Trusts Act 1882, and the Income Tax Act, 1961 and relevant stamp legislations as applicable provided that if the Transferee Company considers it desirable for the smooth administration, management, operation and uniformity of such trusts of the Transferor Company, the same may be merged with similar trusts of the Transferee Company. Appropriate deeds of trusts and/or documents for transfer of trust properties shall be simultaneously executed upon the sanction of the Scheme in accordance with the terms hereof by the trustees of such trusts in favour of the trusts of the Transferee Company so as to continue the benefits of the employees. The provident fund trust, gratuity trust of the Transferor Company shall continue to hold such securities, trust funds and/or trust monies as hitherto fore, till such time as the transfer to the trustees of the Transferee Company employee trusts is made.
- III. The Transferee Company undertakes to continue to abide by any agreement(s)/settlement(s) entered into by the Transferor Company with any employees of the Transferor Company. The Transferee Company agrees that for the purpose of payment of any retrenchment, compensation, gratuity and other terminal benefits, the past services of such employees with the Transferor Company shall also be taken into account, and agrees and undertakes to pay the same as and when payable.

#### **J. BUSINESS AND PROPERTY IN TRUST FOR THE TRANSFEEE COMPANY**

With effect from the Appointed Date and up to and including the Effective Date:

- (a) The Transferor Company shall carry on its business activities with reasonable diligence and business prudence and shall conduct its business in the ordinary course consistent with past practice.
- (b) Until the Effective Date and subject to such consents as may be necessary:
  - (i) the Transferor Company shall carry on and be deemed to have carried on its business and activities and shall hold and stand possessed of and shall be deemed to have held and stood possessed of the Undertaking of the Transferor Company on account of and in trust for the Transferee Company;
  - (ii) all the profits or incomes accruing or arising to the Transferor Company or expenditure or losses incurred by the Transferor Company shall for all purposes be treated and be deemed to be and accrue as profits or incomes or expenditure or losses of the Transferee Company;
  - (iii) the Transferor Company shall not, without the written consent of the Transferee Company, undertake any new business.
  - (iv) the Transferor Company shall not vary the terms and conditions of employment of their employees without the written consent of the Transferee Company.

### **PART - III**

#### **3. CONSIDERATION**

The Transferor Company is a wholly owned subsidiary of the Transferee Company and the entire Share Capital is held by the Transferee Company only. Accordingly there would be no issue of equity shares of the Transferee Company to the shareholders of the Transferor Company. Pursuant to the vesting of the undertaking in the Transferee Company the equity shares of the Transferor Company shall automatically stand cancelled and extinguished. Towards consideration necessary entries will be passed in the books of accounts to reflect the investments made in the transferor company in an appropriate manner in consultation with the statutory auditors of the company.

#### **4. DISSOLUTION OF THE TRANSFEROR COMPANY**

With effect from the Appointed Date and upon the Scheme becoming effective the Transferor Company shall stand dissolved without being wound up.

#### **5. APPROVALS AND MODIFICATIONS**

- (a) The Transferor Company and the Transferee Company may jointly assent from time to time on behalf of all persons concerned to any modifications or amendments or additions to the Scheme or to any conditions or limitations which the High Court of Judicature at Madras and/or the other competent authorities, if any, under any law, may deem fit and approve of or impose and which the Transferor Company and the Transferee Company may in their discretion deem fit and may resolve all doubts or difficulties that may arise for carrying out the Scheme and do and execute all acts, deeds, matters and things necessary for bringing the Scheme into effect. The aforesaid powers of the Transferor Company and the Transferee Company may be exercised by their respective board of directors, a committee(s) of the concerned board or any director or any authorised person (hereafter referred as the "delegates").



- (b) For the purpose of giving effect to the Scheme or any modifications or amendments thereof or additions thereto the delegate(s) of the Transferor Company and Transferee Company may jointly give and are hereby authorized to determine and give all such directions as are necessary including directions for settling or removing any difficulties, as the case may be, which shall be binding on all parties in the same manner as if the same were specifically incorporated in the Scheme.
- (c) After the dissolution of the Transferor Company the Transferee Company acting through its board of directors or other persons, duly authorized by its board in this regard, shall be authorized, to take such steps, as may be necessary, desirable or proper to resolve any doubts, difficulties or questions that may arise, whether by reasons of any order of the High Court of Judicature at Madras or of any directive or order of any other authorities or otherwise, in connection with this Scheme and/or matters concerning or connected therewith.
- (d) If any part of this Scheme hereof is ruled illegal or invalid by, or is not sanctioned by, any High Court, or is unenforceable under present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of the Scheme, and the 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 parties shall attempt to bring about a modification in the Scheme, as will best preserve for the parties the benefits and obligations of the Scheme, including but not limited to such part.

**6. SCHEME CONDITIONAL UPON**

This Scheme is conditional upon the approval of the members of the Transferee Company and Transferor Company and the sanction of the Scheme by the High Court of Judicature at Madras under Sections 391 to 394 of the Act and other applicable provisions of the Act, rules and regulations, as the case may be;

**7. COSTS, CHARGES AND EXPENSES**

Upon the Scheme becoming effective, all costs, charges, taxes including levies and all other expenses, if any, of the Transferor Company and the Transferee Company arising out of/or incurred after the Effective Date for carrying out and implementing the Scheme and matters incidental thereto, shall be borne and paid by the Transferee Company (save as otherwise expressly agreed).

**8. SANCTION AND APPROVALS NOT FORTHCOMING**

In the event any of the approvals or conditions enumerated in the Scheme not being obtained or complied with, or for any other reason, the Scheme cannot be implemented, the Board of Directors of the Transferee Company and the Transferor Company shall mutually waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement, or in case the Scheme is not sanctioned by the High Court, the Scheme shall become null and void and each party shall bear and pay their respective costs, charges and expenses in connection with the Scheme.

None of the Directors of the Company is in any way concerned or interested in the above resolution.

Ref: NSE/LIST/37037

August 20, 2015

The Company Secretary  
Natco Pharma Limited  
Natco House, Road No.2,  
Banjara Hills,  
Hyderabad,  
Andhra Pradesh – 500 034

**Kind Attn.: Mr. M. Adinarayana**

Dear Sir,

**Sub: Observation letter for draft Scheme of Amalgamation between Natco Pharma Limited and Natco Organics Limited.**

This has reference to draft Scheme of Amalgamation between Natco Pharma Limited and Natco Organics Limited submitted to NSE vide your letter dated May 22, 2015.

Based on our letter reference no Ref: NSE/LIST/36232 submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 04, 2013 and SEBI Circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013, SEBI has vide letter dated August 17, 2015, has given following comments on the draft Scheme of Amalgamation:

“a) The Company shall duly comply with various provisions of the Circulars.”

We hereby convey our ‘No-objection’ with limited reference to those matters having a bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable the Companies to file the Scheme with Hon’ble High Court.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.

The validity of this “Observation Letter” shall be six months from August 20, 2015, within which the Scheme shall be submitted to the Hon’ble High Court. Further pursuant to the above cited SEBI circulars upon sanction of the Scheme by the Hon’ble High Court, you shall submit to NSE the following:

1.



- a. Copy of Scheme as approved by the High Court;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme
- d. Status of compliance with the Observation Letter/s of the stock exchanges
- e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- f. Complaints Report as per Annexure II of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013.

Yours faithfully,  
For National Stock Exchange of India Limited

  
Divya Poojari  
Manager  
*HPP*

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL  
[http://www.nseindia.com/corporates/content/further\\_issues.htm](http://www.nseindia.com/corporates/content/further_issues.htm)

DCS/AMAL/KS/24(f)/130/2015-16

August 21, 2015

The Company Secretary,  
**NATCO Pharma Ltd.**  
Natco House, Road No 2,  
Banjara Hills,  
Hyderabad,  
Telangana - 500033.

**Sub: Observation letter regarding the draft scheme of amalgamation between NATCO Pharma Ltd. and NATCO Organics Ltd.**

We are in receipt of draft Scheme of amalgamation between NATCO Pharma Ltd. and NATCO Organics Ltd.

As required under SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013; SEBI vide its letter August 17, 2015 has inter alia given the following comment(s) on the draft scheme of arrangement:

- ***“Company shall duly comply with various provisions of the Circulars.”***

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- The Company shall duly comply with provisions of Circulars.

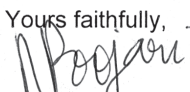
In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble High Court.

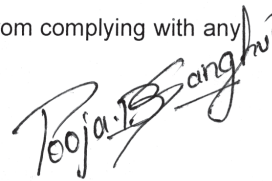
Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

- a. Copy of the High Court approved Scheme;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-a-vis the Draft Scheme;
- d. Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
- e. Status of compliance with the Observation Letter/s of the stock exchanges;
- f. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- g. Complaints Report as per Annexure II of this Circular.
- h. Any other document/disclosure as informed by the Exchange.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,  
  
**Nitin Pujari**  
Manager

  
**Pooja Sanghvi**  
Asst. Manager



# Natco Pharma Limited

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Telangana, INDIA. Tel : +91 40 23547532, Fax : +91 40 23548243  
CIN : L24230TG1981PLC003201, www.natcopharma.co.in

## COMPLAINTS REPORT

Details of Complaint received by the Company on the Draft Scheme of Amalgamation between Natco Pharma Limited and Natco Organics Limited from various sources during the 21 days period from the date of filing of draft scheme with Stock Exchanges:

### Part A

SL.No	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by the Stock Exchange	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	N.A.
5.	Number of complaints pending	N.A.

### Part B

SL.No.	Name of Complainant	Date of complaint	Status (Resolved/Pending)
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**For NATCO PHARMA LIMITED**

M. Adinarayana  
Company Secretary &  
Vice President (Legal & Corp. Affairs)