



Excel Crop Care Limited
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Annexure-2

NOTE ON THE SCHEME OF AMALGAMATION

SCHEME OF AMALGAMATION (MERGER BY ABSORPTION) OF EXCEL CROP CARE LIMITED ("ECC" OR "THE TRANSFEROR COMPANY" OR "THE COMPANY") WITH SUMITOMO CHEMICAL INDIA LIMITED ("SCIL" OR "THE TRANSFeree COMPANY") AND THEIR RESPECTIVE SHAREHOLDERS PURSUANT TO SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 ("SCHEME")

BUSINESS ASPECTS

1. Brief details of the Companies involved in the Scheme and their businesses:

- a) Excel Crop Care Limited (the Transferor Company), a public limited company, was incorporated on March 21, 1964, is registered with the Registrar of Companies, Mumbai and has its registered office situated at 184-87, S. V. Road Jogeshwari (West) Mumbai, Maharashtra 400102.
The shares of ECC are listed on BSE Limited and National Stock Exchange of India Limited.

The Company is, inter alia, engaged in agro chemicals business and manufactures technical grade pesticides and formulations. It also manufactures and markets other agri-inputs like soil enrichers, bio-pesticides, plant growth regulators and soil and plant nutrition products.

- b) Sumitomo Chemical India Limited (the Transferee Company), a public limited company, was incorporated on February 15, 2000, is registered with the Registrar of Companies, Mumbai and has its registered office situated at Building No.1, Ground Floor, Shant Manor, Co-Op Housing Society Limited, Chakravarti Ashok 'X' Road, Kandivli (East), Mumbai – 400101.

It is primarily engaged in manufacturing and sales of Household Insecticides, Agricultural pesticides, Public Health Insecticides and Animal Nutrition Products.

- c) The Transferor Company and the Transferee Company are part of the same promoter group. Sumitomo Chemical Company, Limited, Japan is the holding company of the Transferor Company and the Transferee Company.

2. Salient features of the Scheme

- a) Amalgamation of the Transferor Company with the Transferee Company.





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- b) The transfer and vesting of all assets and liabilities of the Transferor Company into the Transferee Company.
- c) As per the Scheme, the consideration of which will be discharged by the Transferee Company by issuing its equity shares to each shareholder (except itself) of the Transferor Company as per the provisions of the Scheme.
- d) The Scheme shall be effective from April 1, 2018 or such other date as may be approved by NCLT ("the Appointed Date").
- e) Further, the equity shares of the Transferee Company including but not limited to the equity shares issued by the Transferee Company pursuant to the Scheme shall after the relevant approvals be listed/admitted to trading on BSE Limited and the National Stock Exchange of India Limited where equity shares of Transferor Company are listed and/or admitted to trading.
- f) Upon the Scheme coming into effect, the Transferor Company shall be dissolved without being wound-up.
- g) Post listing of the equity shares of the Transferee Company on the Stock Exchanges (i.e., BSE and NSE), it shall comply with the requirements of minimum public shareholding of at least 25% (twenty-five percent) in the Transferee Company in accordance with the extant applicable law or any amendments that may be effective on the effective date of the Amalgamation.

3. Rationale of the Scheme (as set in Scheme)

This Scheme provides for the amalgamation of Transferor Company with Transferee Company pursuant to Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, with the view to achieve the following benefits:

- a) Consolidation of businesses presently carried on by the Transferor Company and Transferee Company, which shall create greater operational synergies and efficiencies at multiple levels of business operations and shall provide significant impetus to their growth;
- b) Merger shall result in consolidation of major India operations under one platform which is expected to get undivided attention from the parent company and thereby leveraging capability of the merged entity which in turn will allow the merged entity to undertake future expansion strategies and to tap bigger opportunities;





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- c) Creation of value for shareholders of the Companies and other stakeholders, by way of creation of a large asset base, facilitating access to better financial resources, stronger consolidated revenue and profitability, diversification in product portfolio and thereby reducing business risks;
- d) Pooling of assets, proprietary information, personnel, financial, managerial and technical resources of the Companies, thereby contributing to the future growth of the merged entity;
- e) Consolidating the shareholding and thereby eliminating administrative duplications and consequently reducing the administrative costs of maintaining separate companies;
- f) The Transferor Company and the Transferee Company operate businesses that complement each other and therefore, can be conveniently combined for mutual benefit of the shareholders of the Companies;
- g) This Scheme shall be in the beneficial interest of all the stakeholders and the shareholders of both the Companies.

4. Share entitlement to the Shareholders

- a) Upon coming into effect of this Scheme and in consideration for the amalgamation of the Transferor Company with the Transferee Company, the equity shares held by the Transferee Company in the Transferor Company will be cancelled without any further act, instrument or deed and the Transferee Company shall without any further application or deed, issue and allot to the remaining equity shareholders of the Transferor Company (whose name appear in the register of members as on the Record Date or to their respective heirs, executors, administrators or other legal representatives or the successors-in-title, as the case may be), the following equity shares:

"51 (fifty one) equity shares of face value of Rs.10 (Rupees ten only) each of the transferee company, credited as fully paid-up, for every 2 (two) fully paid-up equity shares of face value of Rs.5 (Rupees five only) each held in the transferor company as on the Record Date."

- b) In case any equity shareholder's holding in the Company is such that the shareholder becomes entitled, pursuant to above share exchange ratio, to a fraction of equity share of SCIL, the Board of Directors of Transferee Company shall consolidate such fractions and issue consolidated shares to a trustee/custodian/escrow agent, etc., nominated by Transferee Company in that behalf, who shall, sell such shares and distribute the net sale proceeds (after deduction of applicable taxes and other expenses incurred) to the shareholders respectively entitled to the same in proportion to their fractional





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entitlements.

5. The Hon'ble National Company Law Tribunal, Mumbai Bench approved the Scheme vide its order dated 27th June, 2019.
6. The Board of Directors of the Company in its meeting held on 20th August, 2019, have fixed Saturday, 31st August, 2019 as the Effective Date on which date the certified copy of order will be filed with Registrar of Companies, Mumbai. On the Effective date, the Transferor Company shall stand dissolved without being wound up as envisaged in Scheme.

FINANCIAL ASPECTS:

7. Financial details as on 31st March 2019 of Transferor Company and Transferee Company involved in the Scheme (pre scheme):

(INR in Crores)

Particulars	Per-Scheme details as on 31.03.2019*	
	SCIL (standalone)	ECC (consolidated)
Total Income	1,029.8	1321.0
Profit After Tax	830.0	86.3
Capital Employed	1,245.2	629.3
Net-worth	1,245.2	609.5

**Note: The Company is awaiting the receipt of certified copy of the order from Hon'ble NCLT. Post receipt of certified copy of order, the companies will file the same with Registrar of Companies, Mumbai on 31st August, 2019 to make the Scheme effective. The Company will stand merged with the Transferee Company with effect from appointed date i.e. 1st April, 2018. Accordingly, the consolidated financial details of Transferee Company (post scheme) for FY 2018-19) will be shared in due course.*

