

**NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH, COURT - II**

**CP (CAA) No.03/230/HDB/2026
Connected with
CA (CAA) No.44/230/HDB/2025**

[U/s 230 read with Section 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013]

**IN THE MATTER OF SCHEME OF ARRANGEMENT
BETWEEN**

GLAND CHEMICALS PRIVATE LIMITED
(Petitioner/Transferor/Demerged Company)

And

GCBC PHARMA PRIVATE LIMITED
(Petitioner/Transferee/Resulting Company)

And

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

1. M/s. Gland Chemicals Private Limited

Having registered office at: Plot No.218,
Road No.17, Jubilee Hills, Hyderabad,
Telangana, 500033, India.

Rep. by its Authorized Signatory/Managing Director,
Mr. Naga Malleswara Rao Bandreddi

....1st Petitioner/Demerged/Transferor Company

2. M/s. GCBC Pharma Private Limited

Having registered office at: Flat No.204,
H No.6-3-865/1/2, Greenland Apartments,
Ameerpet, Begumpet, Hyderabad,
Telangana, India, 500016

Rep. by its Authorized Signatory/Director,
Mr. Gopi Devarakonda

....2nd Petitioner/Resulting/Transferee Company

Date of Order:12.06.2026

CORAM:

Sri Rajeev Bhardwaj, Hon'ble Member (Judicial)

Sri Sanjay Puri, Hon'ble Member (Technical)

Counsel/Parties Present:

- For the Petitioners : Mr. VB Raju, Ld. Counsel
For the Regional Director : Ms. Kusum Yadav, Deputy Director
from RD Office.
For the Official Liquidator : Mr. Deowrat Vasantrao Meeshram,
Asst., Liquidator from OL Office.
For the Income Tax Department : Ms. B. Sapna Reddy, Ld. Counsel
for the Income Tax Department.

[PER: BENCH]

ORDER

1. This is a Joint Company Petition filed under Section 230 read with Section 232 of the Companies Act, 2013 read with other applicable provisions of the Companies Act, 2013 in the matter of Scheme of Arrangement between M/s.Gland Chemicals Private Limited (Demerged/Transferor/Petitioner Company-1), M/s.GCBC Pharma Private Limited (Resulting/Transferee/Petitioner Company-2) and their respective Shareholders and Creditors with effect from the 01.04.2025.
2. The Registered Offices of the Petitioner Companies are situated in the State of Telangana.
3. The Brief facts of the case:
 - a. **Details of the Demerged/Transferor/Petitioner Company 1:**
M/s. Gland Chemicals Private Limited (Demerged Company) was incorporated on 15.03.1974 with CIN: U24110TG1974PTC001694.
 - b. **Nature of Business:**
The Demerged Company is primarily engaged in the manufacture of bulk drugs and intermediaries. The Demerged Company has the following business divisions – a) Undertaking engaged in the Formulation of dosages; b) Undertaking engaged in the manufacturing of APIs; and c) Undertaking engaged in the supply of APIs. Copy of the Memorandum and Articles of Association of the Demerged Company is filed at **Annexures A1 and A2, Page Nos.47-79.**

- c. The Authorized, Issued, Subscribed and Paid-up capital of the Demerged Company as on 31.03.2025 is as follows:

Authorised Capital	Amount (Rs)
1,00,00,000 Equity Shares of Rs.10 each	10,00,00,000
Total	10,00,00,000
Issued, Subscribed and Paid-up Capital	Amount (Rs)
47,82,771 Equity Shares of Rs.10 each, fully paid up	4,78,27,710
Total	4,78,27,710

Subsequent to the above date and till the date of the Scheme being approved by the Board of Directors of the Demerged Company, there has been no change in the authorized, issued, subscribed and paid-up share capital of the Demerged Company. Copy of the audited financial statements as at 31.03.2025 of the Demerged Company is filed as **Annexure-A3**.

- d. **Details of the Transferee/Resulting/Petitioner Company-2:**
M/s. GCBC Pharma Private Limited (Resulting Company) is a private limited company. The Resulting Company was originally incorporated under the name and style of GCBC Sagent Pharma Private Limited on 19.03.2025. Later, the name of the Resulting Company was changed to its present name i.e., GCBC Pharma Private Limited after passing necessary resolutions under the Companies Act, 2013 and accordingly, a fresh certificate of incorporation pursuant to change of name was issued by the Registrar of Companies, Central Processing Center, Guragaon, on 08.07.2025 with CIN: U21000TS2025PTC195772.
- e. **Nature of Business:**
The Resulting Company, inter alia, proposes to carry on the business as manufacturers of and dealers in pharmaceutical and other preparations, articles and compounds and as chemist and druggists generally. Copy of the Memorandum and Articles of Association of the Resulting Company are filed as **Annexures B1 and B2**.
- f. The Authorized, Issued, Subscribed and Paid-up share capital of the Resulting Company as on 31.03.2025 is as follows:

Authorised Capital	Amount (Rs)
1,00,000 Equity Shares of Rs.10 each	10,00,000
Total	10,00,000
Issued, Subscribed and Paid-up Capital	Amount (Rs)
10,000 Equity Shares of Rs.10 each, fully paid up	1,00,000
Total	1,00,000

Subsequent to the above date and till the date of the Scheme being approved by the Board of Directors of the Resulting Company, there has been no change in the authorized, issued, subscribed and paid-up share capital of the Resulting Company. Copy of the audited financial statements as at 31.03.2025 of the Resulting Company is filed as **Annexure-B3**.

4. **Overview of the Scheme:**

This Scheme of Arrangement (hereinafter referred to as “Scheme”) is presented pursuant to the provisions of Section 230 to 232 of the Companies Act, 2013 and the rules made there under (to the extent applicable) for the demerger of Identified Business Undertaking (defined hereunder) of Gland Chemicals Private Limited (‘GCPL’ or ‘Demerged Company’) into GCBC Pharma Private Limited (‘GCBC’ or ‘Resulting Company’).

5. **Rationale of the Scheme:**

This Scheme is being proposed broadly for the ease of doing businesses by the Companies by demerger of the identified business undertaking of the Demerged Company into the Resulting Company. The circumstances that have necessitated or justified the proposed Scheme and its main benefits are, inter alia, summarized as under:

Objectives/Rationale for the Scheme of Arrangement:

1. The Formulation Business Undertaking is subject to different rates of profitability, growth opportunities, future prospects and risks. The nature of risk and competition involved in this business undertaking is distinct. With an endeavour to enhance shareholder’s value, it is proposed to reorganize and segregate the business of identified business undertaking of the Demerged Company.

2. The Demerged Company is primarily engaged in the manufacture of bulk drugs and intermediaries whereas, the Resulting Company propose to carry on the business as manufacturers of and dealers in pharmaceutical and other preparations, articles and compounds and as chemist and druggists generally. The demerger of the Formulation Business Undertaking from the Demerged Company into Resulting Company would bring synergies in the operations of the Resulting Company and would enable the Resulting Company to focus on the business of Formulation Business Undertaking in a more professional manner and to create a more competitive business both in scale and operations.
3. Enable each business to pursue growth opportunities and offer investment opportunities to potential investors.

The arrangement is in the interest of the shareholders, creditors and all other stakeholders of the respective companies and is not prejudicial to the interests of the concerned shareholders, creditors or the public at large.

6. **Board Resolution:**

The Board of Directors of the Demerged Company and Resulting Company vide its board meeting dated 21.07.2025, approved the Scheme of Arrangement of Gland Chemicals Private Limited and GCBC Pharma Private Limited and their respective shareholders and creditors along with the report of the Board of Directors explaining the effect of the Scheme on various stakeholders (“Demerged Company and Resulting Company Board Reports”). A copy of Board Resolution of the Demerged Company and Resulting Company, approving the Scheme are filed as **Annexures C1 and C2.**

Note: The Board of Directors of the respective companies have in principle approved the Scheme with appointed date being 01.04.2025 and accordingly as stated supra had approved the Scheme of Arrangement in their respective Board Meetings.

7. **Consideration:**

1. Upon approval of the Scheme by the Tribunal and in consideration of the transfer and vesting of the Formulation Business Undertaking of Demerged Company into the Resulting Company pursuant to the Scheme, the Resulting Company shall without any further application, act, instrument or deed, issue and allot to the equity shareholders of the Demerged Company, whose names are registered in the register of members of Demerged Company on the Record Date or to their respective heirs, executors, administrators, legal representatives or successors in title, as the case may be, equity shares of Rs.10/- (Rupees Ten only) each, credited as fully paid up of the Resulting Company, in the ratio of 1 (one) equity share of the face value of Rs.10/- (Rupees Ten only) each of the Resulting Company for every 1 (one) equity shares of the face value of Rs.10/- (Rupees ten only) each credited as fully paid-up held in Demerged Company as on the Record Date.
2. Where shares of the Resulting Company are to be allotted to heirs, executors or administrators or, as the case may be, to successors of deceased equity shareholders of the Demerged Company, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title satisfactory to the Board of Directors of the Resulting Company.
3. The approval of the Scheme by the shareholders of the Resulting Company shall be deemed to be the approval under section 62 read with section 42 of the Companies Act, 2013 read with relevant rules made thereunder, for the purpose of issue and allotment of shares by the Resulting Company to the shareholders of the Demerged Company and shall be deemed to have complied with the provisions of the Act, if any and any other applicable provisions of the Act, and such other statutes and regulations as may be applicable were duly complied with.
4. The shares issued and allotted by the Resulting Company in terms of Part II of the Scheme shall be subject to the provisions of the Memorandum and Articles of Association of the Resulting Company and shall inter-se rank

pari passu in all respects with the then existing equity shares and preference shares, if any, respectively, of the Resulting Company, save and except in relation to dividends declared, and distributed by the Resulting Company from the Appointed Date till the date of approval of the Scheme by the Tribunal to which only the existing equity shares of Resulting Company will be entitled to.

5. Fractional entitlement(s), if any arising, would be ignored for the purpose of issue of shares under the aforesaid clause of this Scheme.
8. The Scheme of Arrangement of the Petition is filed as **Annexure-D**. Item wise details in respect of the Scheme (page-wise) are given below:

Part I – Definitions, Interpretation and Share Capita I. Definitions Interpretation 2. Share Capital of the Companies	158-164
Part II – Transfer and Vesting of the Formulation Business Undertaking 3. Transfer and Vesting of Formulation Business Undertaking 4. Legal Proceedings 5. Contracts, Deeds, other Instruments 6. Treatment of Taxes 7. Conduct of Business until the date of Approval of the Scheme by the Tribunal 8. Charges and Mortgages 9. Staff, Workmen and Employees 10. Consideration 11. Amendment to Memorandum of Association of the Resulting Company 12. Accounting Treatment 13. Remaining Undertaking of the Demerged Company	165-189
Part III – General Terms and Conditions 14. Scheme Conditional on Approval/Sanctions 15. Application to the NCLT 16. Modifications/Amendments to the Scheme 17. Effect of Non-Receipt of Approvals/Sanctions 18. Cost, Charges and Expenses 19. Miscellaneous Schedule – I Immovable property taken on lease by Gland Chemicals Private Limited	189-196

Schedule – II Key terms of the Leasehold land located in Chennai based on the Lease Deed dated 09 th April 2021 (Document No.3260/2021)	
Schedule – III List of Assets and Liabilities of Formulation Business Undertaking	

9. **Accounting Treatment:**

The accounting treatment certificates obtained from the M/s. Y. Raghuram & Co., and M/s.TRR & Associates, Chartered Accountants, statutory auditors of the Petitioner Companies in relation to the accounting treatment mentioned as per Section 133 of the Companies Act, 2013 in the Scheme is filed as **Annexure E**, wherein certified that the proposed accounting treatment specified in Clause 12 of Part II of the Draft Scheme, is in compliance with accounting standards prescribed under section 133 of the Companies Act, 2013 read with Rules made thereunder, and other generally accepted accounting principles, as applicable.

10. **Valuation Certificate:**

The valuation certificate obtained from the Mr. Sampath Soora (FCA, DISA, RV-SFA), Registered Valuer for determining the share exchange ratio in relation to the Scheme of Arrangement for demerger of the Demerged Business Undertaking into Resulting Company is filed as **Annexure F**, wherein he formed opinion on the suggested Share Entitlement ratio under the Scheme of Arrangement on the basis of internationally accepted methodology and the valuation standards as applicable in India.

11. It is submitted by the Petitioner Companies that orders/directions issued vide orders dated 03.12.2025 in CA (CAA) No.44/230/HDB/2025 by this Tribunal had dispensed the convening of the meetings of the Equity Shareholders and Unsecured Creditors of the Demerged Company and the Equity Shareholders of the Resulting Company. Copy of the said order passed by this Tribunal is filed as **Annexure-G**.

12. No investigation proceedings in relation to the Demerged Company or the Resulting Company under Section 235 to 251 of the Companies Act, 1956 or the corresponding Sections 210 to 227 of the Companies Act, 2013 are pending against the respective Petitioner Companies.
13. It is submitted that the Petitioner Companies are closely held unlisted Companies.
14. As per the directions of this Tribunal vide order dated 19.01.2026, the Petitioner Companies issued notices to the Statutory Authorities.
15. Notices were served individually to all the concerned regulatory authorities i.e., Regional Director (SER), Registrar of Companies (RoC), Official Liquidator, Hyderabad, Income Tax Authorities for intimating the Scheme of Arrangement.
16. The Regional Director, vide his Report/Affidavit dated 23.04.2026 filed on 24.04.2026, has not objected to the proposed Scheme, but has made certain observations. In response to the observations made by the RD, the Petitioner Companies have filed Reply/Affidavit dated 30.04.2026 filed on 04.05.2026. The Regional Director vide his report dated 15.05.2026 filed on 18.05.2026 has submitted further observations in response to the Reply/Affidavit of Petitioner Companies dated 30.04.2026 filed on 04.05.2026. The Petitioner Companies filed Memo on 25.05.2026 to the further Report of the Regional Director, which are given below:

Para Nos.	Regional Director's Observations	Petitioner Companies Reply Affidavit	Regional Director's further Observations
3(a) to (c), 5(a) to (c), (e) & (m)	It is submitted by the Petitioner Companies that the report filed by the office of the Regional Director (SER) reiterates the facts on record and hence need not be traversed.		
3(d)	That the Hon'ble Tribunal may direct the petitioner company to preserve its	The Petitioner Companies undertake to preserve their books of accounts	The Petitioner Companies have undertaken to comply with the observations of the

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	books of accounts and papers and records and shall not dispose of without the prior permission of the Central Government in terms of provisions of Section 239 of the Companies Act, 2013.	and papers and records and shall not dispose the said documents without the prior permission of the Central Government.	Deponent.
3 (e)	That the Hon'ble Tribunal to direct the petitioner company to ensure statutory compliance of all applicable laws and on sanctioning of the present scheme the applicant company shall not be absolved for any of its statutory liability in any manner.	The Petitioner Companies undertake to ensure statutory compliance of all applicable laws. The Petitioner Companies further undertake that they shall not be absolved from any of their statutory liabilities in any manner.	The Petitioner Companies have undertaken to comply with the observations of the Deponent.
4	With reference to this Directorate's letter dated 05.02.2026, issued to the Addl. Commissioner of Income Tax, Hyderabad, till date no reply/comments in the matter have been submitted to this Directorate by the Income Tax Department. Hence, the Hon'ble Tribunal may kindly direct the Petitioner Companies to furnish an undertaking stating that the dues if any, payable, both the Companies shall settle the dues as per the demand made by the statutory authorities.	It is submitted that the Petitioner Companies have served notices to the Income Tax Department and further they undertake to pay the statutory dues, if any, raised by the said Department.	The Petitioner Companies have undertaken to comply with the observations of the Deponent.
5 (d)	That there is a pending Charge against the Demerged Company. In this regard the Petitioner Companies may be directed to state whether the said charge is continuing with the Demerged Company or being transferred to the Resulting Company before the Hon'ble Tribunal.	The Petitioner Companies submitted that there is no charge on the assets pertaining to the Formulation Business Undertaking which shall be transferred to the Resulting Company.	The reply of the Petitioner Companies may kindly be considered by the Hon'ble Tribunal.
5 (f)	That as per Clause 3.6 of the Scheme, it is stated that all liabilities and obligations attributed to the Formulation Business Undertaking	The Petitioner Companies submitted that as per clause 3.6 of the scheme, the liabilities which are in form of unsecured loans	The reply of the Petitioner Companies may kindly be considered by the Hon'ble Tribunal.

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	including its unsecured loans, taken over by the Resulting Company, may be discharged by the Resulting Company by way of one-time settlement or in any other manner as the Resulting Company may deem fit. In this regard, the Petitioner Companies may be directed to furnish the details of amount involved for settlement.	may be discharged by the Resulting Company by way of one time settlement or in any other manner as the Resulting Company may deem fit and as agreed between the Resulting Company and the lender (who has furnished its no objection for the Scheme of Arrangement).	
5 (g)	That as per Clause 8.1 of the Scheme, it is stated that all the existing charges and mortgages over the properties of the Formulation Business Undertaking, both movable and immovable in favour of the lending banks and institutions shall stand transferred without any further act and deed to the Resulting Company and the Resulting Company is bound to honour all the terms and conditions of the existing charges and mortgages as though the said charges and mortgages were created by itself against its own properties, without any change or modification. In this regard, the Resulting Company may be directed to furnish an undertaking with regard to the above. The Petitioner Companies may also be directed to specify the charges and mortgages being transferred and the charges being retained by the Demerged Company before the Hon'ble Tribunal.	The Petitioner Companies submitted that there is no secured loan due and payable to Banks/Financial Institutions in case of the Demerged Company. Accordingly, there are no existing charges/ mortgages created in favour of the banks/financial institution except for Axis Bank Limited for the overdraft facility maintained by the Demerged Company. The said overdraft bank account shall be retained by the Demerged Company. However, currently there are no outstanding dues pertaining to the said overdraft facility in the Demerged Company. Besides the above, based on master data of the Demerged Company on the website of Ministry of Corporate Affairs, there is a charge in the name of A.P.I.D.C. However, there are no subsisting dues in relation to A.P.I.D.C.	The reply of the Petitioner Companies may kindly be looked into by the Hon'ble Tribunal.
5 (h)	That as per Clause 9.1 of the Scheme, it is stated that upon	The Petitioner Companies submitted that the	The Petitioner Companies have undertaken to comply

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	<p>approval of the Scheme, by the Tribunal, all staff, workmen and employees on the payrolls of the Formulation Business Undertaking, in service on the date of approval of the Scheme shall be deemed to have become staff, workmen and employees of the Resulting Company on such date without any break or interruption in their service. In this regard, the Resulting Company shall take care of the interests of the staff, workmen and employees of the Demerged Undertaking and may be directed to furnish an undertaking before the Hon'ble Tribunal in this regard.</p>	<p>Resulting Company post sanctioning of the scheme by this Hon'ble Tribunal undertakes to take care of the interests of the staff, workmen and employees of the Demerged undertaking and they shall continue as staff, workmen and employees of the Resulting Company.</p>	<p>with the observations of the Deponent.</p>
5 (i)	<p>That as per Clause 11 of the Scheme, it is stated that the capital clause of the MOA of the Resulting Company shall as part of and, upon coming into effect of this Scheme and without any further act or deed be replaced as "The Authorised Share Capital of the Company is Rs.5,00,00,000/- divided into 50,00,000 equity shares of INR 10/- each with power to increase or to reduce the same from time to time, subject to the provisions of the Companies Act, 2013. In this regard, the Resulting Company may be directed to comply with the provisions of Section 232(3)(i) of the Companies Act, 2013 and pay the differential fee on such enhanced capital and furnish an undertaking before the Hon'ble Tribunal in this regard.</p>	<p>The Petitioner Companies submitted that Resulting Company after the sanctioning of the scheme by this Hon'ble Tribunal, undertakes to pay the requisite fees for such enhanced capital.</p>	<p>The Petitioner Companies have undertaken to comply with the observations of the Deponent.</p>
5 (j)	<p>That as per Clause 12 of the</p>	<p>The Petitioner Companies</p>	<p>The Petitioner Companies</p>

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	<p>Scheme, it is stated that the accounting treatment of the demerger of Formulation Business Undertaking in the books of the Demerged Company and the Resulting Company shall be in compliance with the applicable accounting standards notified under Section 133 of the Act and other generally accepted accounting principles in India.</p>	<p>submitted that the Resulting Company shall comply with the applicable accounting standards notified under section 133 of the Companies Act, 2013.</p>	<p>have undertaken to comply with the observations of the Deponent.</p>
5 (k)	<p>That the Demerged Company and Resulting Companies may be directed to furnish an undertaking with regard to the statutory dues payable if any, before the Hon'ble Tribunal.</p>	<p>The Petitioner Companies hereby undertake that they shall pay the necessary statutory dues, if any, to the statutory authorities.</p>	<p>The Petitioner Companies have undertaken to comply with the observations of the Deponent.</p>
5 (l)	<p>That as per Schedule – III attached to the Scheme, the Company has furnished the list of assets and liabilities to be transferred to the Resulting Company. In this regard, the Petitioner Companies may be directed to furnish the list of assets and liabilities of the demerged company as on the appointed date and the details of assets and liabilities to be transferred to the Resulting Company and the list of assets and liabilities that are remaining with the Demerged Company in a tabular format.</p>	<p>The Petitioner Companies have already submitted a copy of the list of assets and liabilities both pre-demerger and post-demerger along with the replies filed with the office of the Regional Director on 23.03.2026. The same is enclosed as Annexure A.</p>	<p>The reply in this regard may kindly be considered by the Hon'ble Tribunal.</p>
5 (n)	<p>That as seen from the Balance Sheet of the Demerged Company, it is shown an amount of Rs.74,30,00,000/- as loan taken under the head Related Party Transactions. In this regard, the Demerged Company may be directed to show the compliance of the</p>	<p>The Petitioner Companies submitted that an amount of Rs.74,30,00,000/- was taken as loan from a group (company having common directors and shareholders) and accordingly the Demerged Company has complied with necessary provisions</p>	<p>The reply in this regard may kindly be considered by the Hon'ble Tribunal.</p>

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	provisions of the Section 188 of the Companies Act, 2013 and furnish an undertaking before the Hon'ble Tribunal in compliance of the above provisions.	of Section 188 of the Companies Act, 2013.	
5 (o)	That the Authorized Share Capital of the Resulting Company is insufficient and hence, the Resulting Company may be directed to increase the authorized share capital upon approval of the Scheme and file necessary e-form with ROC along with requisite fee.	The Petitioner Companies submitted that the Resulting Company shall increase the authorised share capital by paying the requisite fees along with filing necessary e-forms with the office of the Registrar of Companies at the time of allotment of shares pursuant to the scheme.	The Petitioner Companies have undertaken to comply with the observations of the Deponent.
5 (p)	That as seen from the reply of the Petitioner Companies, there is one non-resident shareholder in the Gland Chemicals Private Limited. Hence, the Resulting Company may be directed to comply with FEMA/RBI Regulations and may also be directed to furnish an undertaking before the Hon'ble Tribunal in this regard.	The Petitioner Companies submitted that the Resulting Company shall comply with the necessary provisions of FEMA/RBI Regulations with respect to the allotment of shares to a non-resident shareholder.	The Petitioner Companies have undertaken to comply with the observations of the Deponent.
9. Further, ROC, Hyderabad submitted further report on 18.05.2026 in the matter with the following observations:			
Regional Director's further Observations		Memo by the Petitioner Companies on 25.05.2026	
<p>i. At present the Petitioner Company 1 is primarily engaged, inter alia, in the business of manufacture of bulk drugs and intermediaries and the Demerged Company has the following business divisions</p> <p>a) Undertaking engaged in the Formulation Dosages</p> <p>b) Undertaking engaged in the manufacturing of APIs; and</p> <p>c) Undertaking engaged in the supply of APIs</p> <p>ii. It is observed from the reply of the company that the Demerged Company has an aggregate liabilities of Rs.3,57,41,17,432/- and an</p>		<p>i. & ii. It is submitted that there are no loans that have been granted to companies, firms or LLP or other parties covered under section 189 of the Companies Act, 2013. Further, it is submitted that the Petitioner Companies have obtained fair share entitlement ratio report from the valuer, which was put forth before its shareholders before taking there no objection/consent affidavits to the proposed scheme and all the shareholders have provided their consent to the said exchange ratio and hence there is no ambiguity with regard to issue of shares pursuant to the said demerger.</p>	

<p>amount of Rs.2,94,64,40,917/- was seen to be transferred to the Resulting Company. However, the Demerged Company has long term borrowings of Rs.3,43,55,000/- out of which Rs.74,00,00,000/- was raised in the Financial Year 2024-25. Further, the Demerged Company has an aggregate Assets of Rs.3,36,82,72,383/- and an amount of Rs.1,15,77,16,858/- was seen to be transferred to the Resulting Company. In view of the disproportionate allocation of assets and liabilities, coupled with the continuous financial losses over the last three years, the company may be directed to explain along with proper valuation and also to stated that no loans have been granted to Companies, firms or LLP or other parties covered u/s 189 of the Companies Act, 2013.</p> <p>iii. Upon approval of the Scheme by the Tribunal and in consideration of the transfer and vesting of the Formulation Business Undertaking of Demerged Company into the Resulting Company pursuant to the Scheme, the Resulting Company shall without any further application, act, instrument or deed, issue and allot to the equity shareholders of the Demerged Company, whose names are registered in the register of members of Demerged Company on the Record Date or to their respective heirs, executors, administrators, legal representatives or successors in title, as the case may be equity shares of Rs.10/- each, credited as fully paid up of the Resulting Company, in the ratio of 1 (one) equity share of the face value of Rs.10/- (Rupees ten only) each of the Resulting Company 1 for every 1 (one) equity shares of the face value of Rs.10/- (Rupees ten only) each credited as fully paid-up held in Demerged Company as on the Record Date.</p> <p>iv. As per the provisional Balance Sheet of the Demerged Company as at 30.06.2025, an amount of Rs.3,59,89,00,000/- is shown under the head Non-Current Liabilities and an amount of Rs.26,29,699 is shown under the head deferred tax liability (net) of Rs.26,29,699/-. In this regard, the company may be directed to furnish the details before</p>	<p>iii. It is submitted that an independent registered valuer (registered with IBBI) was appointed as valuer and accordingly the said valuer had suggested the issue and allotment of share in the ration of 1:1 to the shareholders of the Demerged Company whose names are appearing as shareholders in the register of members of the Resulting Company on the record date.</p> <p>iv. It is submitted that as on 30th June, 2025 there are non-current liabilities to an extent of Rs.359,89,00,000/- pertaining to loan taken from group company and Rs.26,29,699/- is shown as deferred tax liability on account of temporary timing difference and the same details were filed with this Hon'ble Tribunal in the unaudited balance sheet of the demerged company as on 30th June, 2025.</p> <p>v. It is submitted that the demerged company has below mentioned liabilities:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Liability</th> <th style="text-align: left;">Amount in INR</th> <th style="text-align: left;">Remarks, if any</th> </tr> </thead> <tbody> <tr> <td>Outstanding dues to creditors other than MSME</td> <td style="text-align: right;">24,08,75,396</td> <td>This pertains to creditors in the usual course of business.</td> </tr> <tr> <td>Other current liabilities</td> <td style="text-align: right;">28,24,703</td> <td>This is in relation to ESI, PF payable, professional tax payable and credit card dues.</td> </tr> <tr> <td>Short Term Provisions</td> <td style="text-align: right;">2,80,21,847</td> <td>This pertains to provision created for expenses payable as on the date of provisional financial statements.</td> </tr> </tbody> </table> <p>All these details were already filed along with the company petition as Annexure-B3.</p>	Liability	Amount in INR	Remarks, if any	Outstanding dues to creditors other than MSME	24,08,75,396	This pertains to creditors in the usual course of business.	Other current liabilities	28,24,703	This is in relation to ESI, PF payable, professional tax payable and credit card dues.	Short Term Provisions	2,80,21,847	This pertains to provision created for expenses payable as on the date of provisional financial statements.
Liability	Amount in INR	Remarks, if any											
Outstanding dues to creditors other than MSME	24,08,75,396	This pertains to creditors in the usual course of business.											
Other current liabilities	28,24,703	This is in relation to ESI, PF payable, professional tax payable and credit card dues.											
Short Term Provisions	2,80,21,847	This pertains to provision created for expenses payable as on the date of provisional financial statements.											

<p>the Hon'ble Tribunal.</p> <p>v. As seen from the Balance Sheet of the Demerged Company, the total outstanding dues to creditors other than MSME is Rs.24,08,75,396/- as per Note 7 and other current liabilities are shown as Rs.28,24,703/- as per Note No.8 and has shown an amount of Rs.2,80,21,847/- as short term provisions as per Note No.9. The Petitioner Companies may be directed to furnish the details of the above before the Hon'ble Tribunal.</p>	
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17. Hence, from the above reports of the RD, it can be understood that there are no tenable objections and that the queries posed to the companies were also answered. Hence, the reply to the observation as sought by the Regional Director (RD) would stand complied.

18. The Official Liquidator has filed his report, vide OLR No.21/2026 dated 09.04.2026 filed on 10.04.2026 stating certain observations at point no.22 of his report. The observations pointed out have been replied by the Petitioner Companies vide Reply/Affidavit dated 06.05.2026 filed on 07.05.2026. The Official Liquidator filed further Report, vide OLR No.27/2026 dated 14.05.2026 filed on 15.05.2026 to the Reply/Affidavit of the Petitioner Companies dated 06.05.2026 filed on 07.05.2026. The Petitioner Companies filed Memo on 25.05.2026 to the further Report of the Official Liquidator, which are mentioned below:

Observations of Official Liquidator	Reply/Affidavit by the Petitioner Companies	Further Report by the Official Liquidator	Memo by the Petitioner Companies
<p>22 (c) That, Clauses 12 of Part-"II" of the Scheme speaks about Accounting Treatment in the books of accounts of the Demerged Company and Resulting Company, which inter-alia states as under:</p> <p style="padding-left: 40px;">“The accounting treatment of the demerger of Formulation</p>	<p>The Petitioner Companies have submitted that they shall comply with the accounting standards as notified under Section 13 of the Companies Act,</p>	<p>The reply of the Petitioner Companies are not correct since, there is no such Accounting Standard prescribed under Section 13 of the Act to deal with</p>	<p>It is submitted that the accounting treatment shall be carried out by the Demerged and Resulting Company as per the Accounting Standard Rules and Regulations</p>

<p>Business Undertaking in the books of the Demerged Company and the Resulting Company shall be in compliance with the applicable accounting standards notified under Section 133 of the Act and other generally accepted accounting principles in India.”</p> <p>In view of the above, it is to state that the above contention of the Scheme does not speak specifically about details of Accounting Treatment of Assets & Liabilities in the books of the Demerged Company on post arrangement, since no specific Accounting Standards or IND AS has been so far pronounced by the Institute of Chartered Accountants of India (ICAI) covered under Section 133 of the Act (applicable for Demerged Company) defining the Accounting Treatment of Assets & Liabilities in the books of Demerged Company, hence the above para required modification by stating specifically the detailed accounting treatment of Assets & Liabilities in the books of Demerged Company on post arrangement.</p> <p>Also no specific method of Accounting Treatment for the Assets & Liabilities in the books of Resulting Company has been stated in the Scheme. Therefore, the Scheme requires modification by stating about accounting treatment to be followed by the Resulting Company upon sanction of the Scheme.</p>	<p>2013 and hence there is no requirement of modification of clause No. 12 of the Scheme.</p>	<p>the Accounting Treatment of Assets & Liabilities in the books Demerged of Company. So to draft the Scheme, detailed of assets & liabilities to be transferred from the Demerged Company with specific adjustment thereof in its books of accounts shall be stated in the Scheme since the consideration (against loss of Networth) shall not be received by the Demerged Company (it will go to the shareholders of Demerged Company).</p> <p>Hence, the Scheme requires modification to give details of Accounting treatment in the books of Demerged Company.</p>	<p>framed by the Central Government from time to time.</p>
<p>22 (d) That, as per Schedule-II attached to the Scheme, provides for transfer of leasehold land of Demerged Company located in</p>	<p>The Petitioner Companies have submitted that the Demerged</p>	<p>The Petitioner Companies may obtain prior approval / NOC</p>	<p>It is submitted that the Demerged Company had taken the land on</p>

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<p>Chennai to the Resulting Company. However, the specific terms and conditions relating to transferor of leasehold land has not been specified in the Schedule-II. Hence, the Hon'ble Tribunal may be pleased to direct the Demerged Company (Lessee) to obtain Consent / NoC from SIPCOT (Lessor) for transferor of leasehold landed property from the Demerged Company to the Resulting Company on post approval of the Scheme.</p>	<p>Company shall obtain approval of SIPCOT (lessor) for transfer of leasehold land to the Resulting Company post approval of the Scheme by the Hon'ble NCLT.</p>	<p>from SIPCOT (Lessor) before approval of the Scheme since the terms and conditions of allotment of Leasehold land is nor properly stated in the Scheme.</p>	<p>the long term lease from SIPCOT (Lessor) and the relationship between the Demerged Company and the said Lessor is only that of Lessor and Lessee. Pursuant to the approval of the scheme by Hon'ble NCLT, the Resulting Company shall obtain necessary approvals from SIPCOT and enter into a fresh lease deed with the said lessor in order to mutuate the name of the Resulting Company in the revenue records.</p>
<p>22 (e) That, as per Schedule-III attached to the Scheme, the Assets and Liabilities of the Formulation Business Undertaking to be transferred to the Resulting Company is stated as follows: Assets-Rs. 115,82,81,002/- Liabilities-Rs.294,73,10,899/- As per the Scheme purchase consideration has to be paid i.e. the Resulting Company has to issue 47,82,771 no. of shares of Rs. 10/- each amounting to Rs.4,78,27,710/- to the shareholders of the Demerged Company on sanction of the Scheme. Also as per the Schedule-III, the Demerged Company shall transfer its substantial liabilities over the assets of Formulation Business Undertaking to the Resulting Company. In turn, the Resulting Company shall issue the shares to</p>	<p>The Petitioner Companies have submitted that the Demerged Company had taken the Industrial land from SIPCOT, Chennai, on lease which got commercial value. The said land is a part of the Demerged Business Undertaking and hence the shareholders had proposed to issue 47,82,771 equity shares of Rs.10/- each amounting to Rs. 4,78,27,710/- to the shareholders of</p>	<p>The reply of the Petitioner Companies is not convincing since they have not justified as how the Scheme has been filed to take net liabilities against payment of consideration. The Hon'ble Tribunal may direct the Petitioner Companies to give details of the said transactions with computation sheet of gain to be transferred to the Resulting Company</p>	<p>It is submitted that the Petitioner Companies have obtained fair share entitlement ratio report from the valuer, which was put forth before its shareholders before taking there no objection/consent affidavits to the proposed scheme and all the shareholders have provided their consent to the said exchange ratio and hence there is no ambiguity with regard to issue of shares pursuant to the said demerger.</p>

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<p>the Demerged Company in the ratio of 1:1. Thereby the total purchase consideration paid and liabilities acquired shall be Rs.299,51,38,609/-(4,78,27,710 + 294,73,10,899) against which assets worth of Rs. 115,82,81,002/- shall be acquired by the Resulting Company which have a resultant variance of Rs. 183,68,57,607/-(299,51,38,609 - 115,82,81,002). Also the Scheme speaks about acquisition of Net Liabilities of Rs. 178,90,29,897/- (294,73,10,899 - 115,82,81,002) by the Resulting Company against which the Resulting Company shall pay purchase consideration. It is not explained as how purchase consideration of Rs. 4,78,27,710/- (in the form of share capital) has been paid by the Resulting Company against acquisition of Net Liabilities (negative net worth) of Rs. 178,90,29,897/- which is against the spirit of Capital Restructuring, since consideration has been paid against acquisition of net Liabilities only. The Hon'ble Tribunal may kindly looked into the matter, being it is bad in law to pay consideration against acquisition of liabilities. Hence, the Hon'ble Tribunal may direct the Petitioner Companies to explain as how consideration has been paid against acquisition of Liabilities as stated in the Scheme.</p> <p>Further, the Independent Valuer of shares (to determine the Exchange Ratio) has not addressed the issue as how purchase consideration has been paid against acquisition of Liabilities. Hence, the Hon'ble Tribunal may be pleased to direct the Petitioner Companies as well</p>	<p>the Demerged Company. Further, the ultimate beneficial owner of both Demerged Company and Resulting is the same. Therefore, a ratio of 1:1 for issue of shares pursuant to demerger has been recommended by the valuer.</p>	<p>against which consideration has been paid by them to the shareholders of the Demerged Company. Specific clarification from the Independent Valuer may be called for in this regard.</p>	
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<p>as the Independent Valuer of shares namely Sri Sampath Soora, to submit their justification/clarification in this regard, by serving a copy thereof to the Official Liquidator for examination and to give comments thereupon.</p>			
<p>22 (f) That, to examine the details of the effective Assets & Liabilities of the Petitioner Companies on post arrangement, the Official Liquidator has asked for the details of Assets & Liabilities to be transferred from the Demerged Company to the Resulting Company along with remaining Assets & Liabilities on post arrangement. In the reply dated 20-03-2026. The Petitioner Companies have submitted the said details and the same are enclosed herewith and marked as <u>Annexure – “I&II”</u>. On examination thereof it is found that the statements submitted by Petitioner Companies are not covered the Share Capital aspects on post arrangement of the Scheme.</p> <p>In view of the above, the Hon’ble Tribunal may kindly direct the Petitioner Companies to submit the re-casted Assets & Liabilities on post arrangement of the Scheme by considering the Share Capital and the Assets & Liabilities of the respective Petitioner Companies to the Official Liquidator for examination and to submit comments thereon.</p>	<p>The Petitioner Companies have submitted that the details of assets and liabilities were given to the Official Liquidator. However, the list containing share capital, assets and liabilities post-demerger is filed.</p>	<p>The Petitioner Companies may be directed to submit details of the said re-casted Financial Statements for examination and comments.</p>	<p>It is submitted that the details of the assets and liabilities along with share capital was already submitted to the office of the Official Liquidator as on 06.05.2026 and the same was enclosed as Annexure-B.</p>

With regard to the observations made in Paragraph Nos.22(a), (b), (g), (h), and (i) of the OL Report are concerned, it is submitted that the observations are same need not be traversed.

From the above reports of the Official Liquidator and reply furnished by the Petitioner Companies, it can be understood that there are no tenable objections and that the queries posed to the companies were also answered. Hence, the observations raised by the Official Liquidator would stand complied.

19. **Observations by the Income Tax Department:**

The Deputy Commissioner of Income Tax, Central Circle-2(1), Hyderabad filed its Affidavit dated 25.02.2026 (06.03.2026) in respect of M/s. Gland Chemicals Private Limited (Demerger Company) and M/s. GCBC Pharma Private Limited (Resulting Company):

1. As per the available records of the office, there is a pending demand of Rs.35,05,68,605/- in the case of M/s. Gland Chemicals Private Limited (Demerged Company) for the Assessment Years 2018-19, 2019-20, 2020-21, 2021-22 and 2022-23.

Details of Assessment Orders:

2. In the case of M/s. Gland Chemicals Private Limited (Demerged Company), Assessment order was passed u/s 143(3) of the Income Tax Act, 1961 on 30.04.2021 by assessing the income at Rs.18,41,67,212/- and raised a demand of Rs.1,370/- for the A.Y.2018-19. Subsequently, the case of the assessee was reopened for the A.Y.2018-19 and the assessment order was passed u/s 147 of the Act on 24.03.2024 by assessing the income at Rs.29,41,14,189/- and raised a demand of Rs.15,37,36,600/-. Total demand for the A.Y.2018-19 is Rs.15,37,37,970/-.

Assessment order for the A.Y.2019-20 was passed u/s 147 of the Act on 24.03.2024 by assessing the total income at Rs.29,43,45,350/- and raised a demand of Rs.8,07,55,800/-. Further, penalty u/s 271AAC(1) of the Act of Rs.26,22,655/- is outstanding from the assessee for the A.Y.2019-20.

Assessment order for the A.Y.2020-21 was passed u/s 143(3) r.w.s.144B of the Act on 26.09.2022 by assessing the total income of Rs.49,70,96,116/- and raised a demand of Rs.4,50,44,090/-.

Assessment order for the A.Y.2021-22 was passed u/s 143(3) r.w.s.144B of the Act on 22.12.2022 by assessing the total income at Rs.88,96,40,180/- and raised a demand of Rs.6,84,07,230/-.

Assessment order for the A.Y.2022-23 was passed u/s 143(3) r.w.s.144B of the Act on 21.03.2024 by accepting the revised income returned by the assessee of Rs.27,63,42,020/- and raised a demand of Rs.860/-.

The demand analysis and recoverability status report is enclosed as Annexure.

3. Since there is a pending demand as detailed above, in the interest of Revenue, the department is filing Report/ objection against the proposed Scheme of Demerger of M/s.Gland Chemicals Pvt. Ltd. (Demerged Company) with M/s.GCBC Pharma Pvt. Ltd. (Resulting Company) unless the interest of revenue is protected in recovery of demand along with interest and penalties, as applicable, from M/s.Gland Chemicals Pvt. Ltd. and also that in the event, this Hon'ble NCLT proposes to approve the scheme of demerger, this Hon'ble Tribunal may be pleased to pass orders that the Resultant Company shall be liable to pay and honour all dues in respect of M/s.Gland Chemicals Pvt. Ltd. (Demerged Company) or pass any such orders in the interest of revenue and recovery.
20. No reply is submitted by the Petitioner Companies against the findings of the Income Tax Department.
21. We have heard the Ld. Counsel for the Petitioner Companies and perused the material papers on record. Considering the entire facts and circumstances of the case and on perusal of the Scheme, Report of the

Regional Director, Official Liquidator, Deputy Commissioner of Income Tax Department and reply/undertakings of the Petitioner Companies thereon, and the documents produced on record, we consider that the Scheme of Arrangement is fair and reasonable and not contrary to public policy and not violative of any provisions of law. All the statutory compliances have been made under Sections 230 to 232 of the Companies Act, 2013.

ORDER

22. After hearing the Ld. Counsel for the Petitioner Companies and after considering the material on record. The following order is passed by this Adjudicating Authority:
- i. The Scheme of Arrangement (Page Nos.153-196) along with this Petition filed by the Petitioner Companies is hereby sanctioned with appointed date as 01.04.2025 which shall be binding on all the equity shareholders, creditors, employees, concerned statutory and regulatory authorities and all other stakeholders of the Petitioner Companies.
 - ii. While approving the Scheme, we make it clear that this order should not be construed as an order in anyway granting exemption from payment of stamp duty, taxes or any other charges, if any, payable, in accordance with law or in respect of any permission/compliance with any other requirement which may be specifically required under any law.
 - iii. The whole of the assets, property, rights and Liabilities of the Demerged Company be transferred to Resulting Company without the requirement of any further act or deed to the Petitioner/Resulting Company.

- iv. We direct the Petitioner Companies to comply with all the observations pointed out by the Regional Director, Official Liquidator, Hyderabad, if any.
- v. We direct the Petitioner Companies to preserve the books of accounts and papers and records and the same shall not be disposed of without the prior permission of the Central Government in terms of the provisions of Section 239 of the Companies Act, 2013.
- vi. We direct the Petitioner Companies to ensure statutory compliance of all applicable laws and also on sanctioning of the present Scheme, the Petitioner Companies shall not be absolved from any of its statutory liabilities, in any manner.
- vii. We direct the Petitioner Companies involved in the Scheme, to comply with Rule 17(2) of the Companies (Compromise, Arrangement and Amalgamation) Rules, 2013. The Petitioner Companies within 30 days after the date of receipt of certified copy of the order, shall cause certified copy to be delivered in the Form INC-28 to the Registrar of Companies concerned for registration and on such certified copy being delivered, Registrar of Companies concerned shall take all necessary consequential action in respect of the Petitioner Companies.
- viii. The Petitioner Companies are further directed to take all consequential and statutory steps required in pursuance of the approved Scheme of Arrangement under the provisions of the Companies Act, 2013 and submit necessary compliance and undertaking relating to the objections raised by the Regional Director (SER), MCA, Government of India, Hyderabad and Official Liquidator, Hyderabad.

- ix. All the legal proceedings pending by/or against the Demerged Company shall be continued by/or against the Resulting Company.

Considering that the Income Tax Department has reported significant amount of pending tax demand against the demerged company M/s.Gland Chemicals Private Limited, this Scheme of Demerger is approved subject to the condition that the Resultant Company shall also be liable to pay and honor all dues in respect of the Demerged Company as per the law.

- x. In case of any adverse finding or tax implications arising in future on approval of the Scheme is subject to final decision of the Tax Authorities concerned and the decision of the Tax Authorities concerned shall be binding on the Petitioner Companies.
- xi. The Resulting Company is directed to strictly comply with the Accounting Treatment Standards prescribed under Section 133 of the Companies Act, 2013.
- xii. The sanction of the Scheme by this Adjudicating Authority shall not forbid the Revenue Authority from taking appropriate recourse for recovering the existing and previous tax liabilities of the Demerged Company and Resulting Company.
- xiii. The Petitioner Companies shall until the completion of the Scheme of Arrangement, file a statement in such form and within such time as prescribed with the Registrar every year duly certified by the Chartered Accountant or a Cost Accountant or a Company Secretary to the effect that the Scheme of Arrangement is being complied in accordance with the orders of this Tribunal as required under Section 232(7) of the Companies Act, 2013.

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- xiv. Any person shall be at liberty to apply to this Tribunal in the above matter for any directions that may be necessary.

Accordingly, the Company Petition bearing **CP(CAA)No.03/230/HDB/2026** is allowed and stands disposed of.

Sd/-

**SANJAY PURI
MEMBER (TECHNICAL)**

Apoorva

Sd/-

**RAJEEV BHARDWAJ
MEMBER (JUDICIAL)**