

To  
The Board of Directors  
Jubilant Agri And Consumer Products Limited  
Bhartiagram, Jyotiba Phule Nagar,  
Gajraula, Uttar Pradesh – 244223

**REPORT OF THE AUDIT COMMITTEE OF JUBILANT AGRI AND CONSUMER PRODUCTS LIMITED (“COMPANY”/ “DEMERGED COMPANY”/“JACPL”) RECOMMENDING THE DRAFT SCHEME OF ARRANGEMENT BETWEEN THE COMPANY, JUBILANT AGRI SOLUTIONS LIMITED (“RESULTING COMPANY”/“JASL”) HELD ON TUESDAY, NOVEMBER 04, 2025 THROUGH VIDEO CONFERENCING**

**MEMBERS PRESENT**

Sl. No	Name of Members	Designation
1.	Mr. Ravinder Pal Sharma, Chairman	Independent Director
2.	Mr. Radhey Shyam Sharma, Member	Independent Director
3.	Ms. Sanjanthi Sajan, Member	Independent Director
4.	Mr. Mohandeep Singh, Member	CEO & Whole-Time Director

A meeting of Audit Committee of the Company was held on November 04, 2025, to consider and recommend to the Board of Directors of the Company (“Board”) the draft Scheme of Arrangement for Demerger between the Company and Resulting Company (hereinafter collectively referred to as the “Companies”) under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder (including any statutory modification(s) or re-enactment(s) thereof) (“Act”) (“Scheme”/ “Scheme of Arrangement”) and accordance with the SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 (“SEBI Master Circular”) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). The report of the Company is being made in order to comply with the requirements of the aforesaid SEBI Master Circular. The Audit Committee has considered and reviewed the Scheme and drawn out the following major points:

**1. BACKGROUND**

1.1. **JUBILANT AGRI AND CONSUMER PRODUCTS LIMITED**, bearing CIN L52100UP2008PLC035862 was incorporated on 21st August 2008, under the provisions of Companies Act, 1956 as a private company with the name & style of “Canonical Infotech Solutions Private Limited” under the jurisdiction of Registrar of Companies, Uttar Pradesh and Uttaranchal. Thereafter, on 7th March 2011, the name of the Demerged Company was changed to “Jubilant Agri

**A Jubilant Bhartia Group Company**

**OUR VALUES**



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and Retail Private Limited". Subsequently, on 6th May 2011, the name of the Company was changed to "Jubilant Agri and Consumer Products Private Limited". On 10th May 2011, the Company was converted into Public Limited Company and consequently the name was changed to its present name i.e. "Jubilant Agri and Consumer Products Limited". The Registered office of the Demerged Company is presently situated at Bhartiagram, Jyotiba Phule Nagar, Gajraula, Uttar Pradesh - 244223. JACPL is a diversified company engaged in manufacturing of performance polymers, chemicals and agri-products. Its performance polymers and chemicals segment comprises of consumer products portfolio such as all kind of adhesives, maintenance solutions, wood finishes, binders, and glues, primers, hardeners, sealants, art and craft material, electroplating chemicals, poly-urethane polish, specialty coating etc., and Food polymers, polyvinyl acetate polymers and copolymers of vinyl acetate monomers and various types of Latexes and construction chemicals for both residential and commercial / Industrial usage, while its agri segment focuses on all kind of fertilizers (straight, complex and mix fertilizer), crop nutrition products, bio-catalyst and bio-stimulants for plants, plant growth regulators etc. In addition, the Company is involved in the formulation, processing, packaging, trading, import, and export of a wide range of polymers, co-polymers, resins, coatings, fertilizers, agrochemicals, and other chemical compounds for industrial, agricultural, and consumer applications, along with related retail, distribution, and allied activities across domestic and international markets. The Equity Shares of the Demerged Company are listed on the bourses of BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

- 1.2. **JUBILANT AGRI SOLUTIONS LIMITED** bearing CIN U20122UP2025PLC220973 was incorporated on 7th April 2025, under the provisions of Companies Act, 2013 as a public company with the name & style of "Jubilant Agri Solutions Limited" under the jurisdiction of Registrar of Companies, Kanpur. The Registered office of the Resulting Company is situated at Bhartiagram, Gajraula District, Amroha, Bhartiya Gram, Jyotiba Phule Nagar, Dhanaura, Uttar Pradesh - 244223. JASL has been incorporated with the objects of engaging in the business of manufacturing, marketing, and trading of agricultural products including all kinds of fertilizers and chemicals and offers custom research and farmer advisory services in this regard.

The Resulting Company is a wholly owned subsidiary of the Demerged Company.

- 1.3. The Scheme, *inter alia*, provides for the demerger of Agri Division (*as defined in the Scheme*) of the Demerged Company into the Resulting Company as a going concern and in consideration, the consequent issuance of the equity shares of the Resulting Company to all the shareholders of the Demerged Company in accordance with the Share Entitlement Ratio (*as defined below*).

## 2. DOCUMENTS PLACED BEFORE THE AUDIT COMMITTEE

While making recommendations on the Scheme, the Audit Committee considered and took on record the following documents:

- (i) Draft Scheme of Arrangement;



- (ii) Share Entitlement Report dated November 01, 2025, issued by Axiology Valuetech Private Limited, Registered Valuer Entity- all classes (Registration No. IBBI/RV-E/05/2023/201) recommending the Share Entitlement Ratio in connection with the proposed Scheme;
- (iii) Fairness opinion dated November 01, 2025 issued by Corporate Professionals Capital Private Limited, an independent SEBI Registered, Category-I, Merchant Banker (Registration No. INM000011435), providing its opinion on the fairness of the Share Entitlement Ratio as recommended in the Share Entitlement Report.
- (iv) Undertaking dated November 01, 2025 from the Company Secretary, on the non-applicability of Para (A) (10) (b) of SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, relating to the approval of majority public shareholders;
- (v) Certificate dated November 02, 2025 issued by BGJC & Associates LLP, Chartered Accountants, the Statutory Auditors of the Company certifying the non-applicability of Para (A) (10) (b) of SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, relating to the approval of majority public shareholders;
- (vi) Certificate dated November 02, 2025 issued by BGJC & Associates LLP, Chartered Accountants, the Statutory Auditors of the Company, in accordance with Para A (2) (g) of the SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 and the provisos to Section 230(7) and Section 232(3) of the Companies Act, 2013, certifying that the accounting treatment contained in the draft Scheme is in conformity with the accounting standards prescribed under Section 133 of the Companies Act, 2013;
- (vii) Memo dated October 31, 2025 issued by Corporate Professionals (India) Private Limited opining the Compliance of the Scheme of Arrangement with Applicable Laws and Non-Prejudice to Public Shareholders.

### 3. NEED FOR THE DEMERGER AND RATIONALE OF THE SCHEME

**The committee noted the rationale and benefit of the Scheme which, *inter alia*, are stated below:**

- 3.1 The Demerged Company is engaged in a diversified range of businesses, broadly categorized into two divisions - (1) Performance Polymers and Chemicals Division, which comprises of adhesives, wood finishes and wood coatings, food polymers, industrial polymers, and other specialty chemicals; and (2) Agri Division, which comprises all kinds of fertilizers (straight, complex and mixed), crop nutrition products, bio-catalysts and bio-stimulants for plants, and plant growth regulators etc.
- 3.2 Both the above businesses have their own distinct business dynamics, regulatory environment, customer base and their needs. There is clear distinction in growth prospects and risk profile of the two divisions.



3.3 With the agriculture sector in India undergoing rapid transformation and expansion with the help of strong governmental support through various schemes such as the Pradhan Mantri Kisan Samman Nidhi (PM-KISAN), Pradhan Mantri Fasal Bima Yojana (PMFBY), and the Agriculture Infrastructure Fund (AIF), this presents significant growth opportunity for the Agri Division to pursue it independently. Accordingly, the Board of Directors of the Demerged Company have approved a Scheme to segregate and transfer the Agri Division into a separate entity (the Resulting Company) to achieve, inter alia, the following benefits:

- Focused Management and Strategic Clarity: Enable creation of focused and independent management structure for each business, allowing them to pursue tailored growth strategies aligned with their respective market dynamics and regulatory frameworks.
- Financial Flexibility and Autonomy: Each of the Demerged Company and the Resulting Company will have independent control over their respective cash flows, facilitating efficient deployment of resources, formulation of capital expenditure plans, dividend policies, and other investment decisions suited to their specific operational requirements.
- Possibility of value unlocking: The demerger will enable attraction of distinct sets of investors, lenders, strategic partners, and other stakeholders who are aligned with the risk-return and growth profile of each business, thereby facilitating focused capital raising and unlocking value for shareholders.
- Risk Segregation: The demerger will effectively de-risk the businesses from each other, providing long-term stability and allowing each company to mitigate risks inherent in its respective sector.
- Operational Efficiency and Resource Optimization: Each company will be able to realign its human capital, innovation initiatives, marketing strategies, and product development efforts towards its core competencies, thereby enhancing competitiveness and agility.

3.4 The proposed demerger is, therefore, in the best interests of the shareholders, creditors, and other stakeholders of the Demerged Company and the Resulting Company. It is expected to enable focused management attention, improve operational efficiencies, facilitate future growth, and unlock long-term shareholder value.

#### **4. SYNERGIES OF BUSINESS OF THE ENTITIES INVOLVED IN THE SCHEME**

The Demerger will create a separate listed entity comprising of the Agri Business thereby unlocking the potential value of the Agri Division for the Company's shareholders. Further, The Audit Committee noted that the Scheme relates to the demerger of the Agri Division from the Demerged Company into the Resulting Company to create an independent listed company. The said demerger would entail the benefits specified in para 3.3 above.



The Demerged Undertaking operates as an independent, self-reliant, and integrated facility, with substantial growth potential. The Agri business is expected to maintain operational efficiency and continuity post-demerger. The transfer of the Agri Division from the Demerged Company to the Resulting Company is anticipated to be seamless, ensuring the preservation of existing synergies and minimal disruption to ongoing operations.

## 5. IMPACT OF THE SCHEME ON THE SHAREHOLDERS

The Audit Committee noted the following:

- 5.1. Upon this Scheme coming into effect and in consideration of the transfer and vesting of the Demerged Undertaking from the Demerged Company to the Resulting Company, the Resulting Company shall, without any further application, act or deed, issue and allot equity shares, credited as fully paid up, to the extent indicated below, to the shareholders of the Demerged Company, holding fully paid up equity shares in the Demerged Company and whose names appear in the register of shareholders and records of the depository as shareholders of the Demerged Company as on the Record Date, as under:

***“1 (One) fully paid up equity share of face value of INR 10/- (Rupee Ten) each of the Resulting Company for every 1 (One) fully paid up equity share of face value of INR 10/- (Rupee Ten) each held in the Demerged Company.” (“Share Entitlement Ratio”)***

- 5.2. Simultaneously, with the aforesaid allotment of equity shares by the Resulting Company upon effectiveness of the Scheme, the existing equity shares of the Resulting Company as held by the Demerged Company shall stand cancelled and the Resulting Company shall issue its fresh equity shares to the shareholders of the Demerged Company in the same proportion in which they hold the equity shares in the Demerged Company thereby creating a replica shareholding structure in the Resulting Company.
- 5.3. Further, the shares issued as a consideration by Resulting Company to the shareholders of the Demerged Company pursuant to the Scheme shall be listed on BSE and NSE.
- 5.4. The Audit Committee was of the view that the proposed Demerger would create an independent listed company and unlock value for all the shareholders of the Demerged Company and give them the flexibility to stay invested in the growth journey of the Agri Division.

In light of the aforementioned rationale and benefits of the Scheme and other related matters, the Audit Committee is of the informed opinion that the proposed Scheme is in the best interests of and not detrimental to the interests of the shareholders of the Company.





## 6. COST BENEFIT ANALYSIS OF THE SCHEME

After evaluation of the proposed draft Scheme, the Audit Committee is of the view that the benefits of the Scheme for the stakeholders of the Company in terms of sharpened focus and other benefits as specified in para 3.3 above far outweigh the transaction costs for the implementation of the Scheme. Thus, the Audit Committee believes that the Scheme will be beneficial for the Demerged Company and Resulting Company.

## 7. RECOMMENDATIONS OF THE AUDIT COMMITTEE

In view of the above, the Audit Committee after due deliberations and due consideration of all the terms of the draft Scheme, Share Entitlement Report, Fairness Opinion, Undertaking and Auditor's Certificate on the non-applicability of Para (A) (10) (b) of SEBI Master Circular and Auditor's Certificate certifying that the accounting treatment contained in the draft Scheme is in conformity with the accounting standards prescribed under Section 133 of the Companies Act, 2013, the Audit Committee hereby unanimously recommends the draft Scheme for favourable consideration of the Board of Directors of the Company, Stock Exchanges, and Securities and Exchange Board of India and such other Authorities, as applicable.

By the order of Audit Committee

**For Jubilant Agri and Consumer Products Limited**

**Ravinder Pal Sharma**  
**Chairman of Audit Committee**  
**DIN: 03411214**



Date: 04.11.2025

Place: New Delhi