



Mangalore Chemicals  
& Fertilizers Limited

**Date:** 26 September 2025

**National Stock Exchange of India Limited**

Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex, Bandra (E)  
MUMBAI - 400 051

**BSE Limited,**

Floor 25, Phiroze Jeejeebhoy Towers,  
Dalal Street  
MUMBAI - 400 001

Company's Scrip Code in BSE : 530011  
Company's Symbol in NSE : MANGCHEFER  
ISIN : INE558B01017

**Subject: Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations"), as amended.**

**Ref: Our previous disclosures under Regulation 30 of the LODR Regulations dated May 1, 2025, February 28, 2025 and November 25, 2024.**

**Dear Sir/Madam,**

We are pleased to inform you that the Hon'ble National Company Law Tribunal, Bengaluru Bench ("NCLT Bengaluru"), has passed an order dated September 24, 2025 approving and sanctioning the second motion petition with respect to the proposed scheme of arrangement entered into by and amongst Mangalore Chemicals & Fertilizers Limited (the "**Company**"), Paradeep Phosphates Limited (the "**Transferee Company**") and their respective shareholders and creditors ("**Scheme**").

A copy of the order, as uploaded by NCLT Bengaluru on its website today, i.e., September 26, 2025, is enclosed herewith. The certified copy of such order is awaited.

The Scheme shall become effective in accordance with its terms on and from the date on which the Company files the certified copies of the aforesaid sanction order passed by NCLT Bengaluru and the sanction order passed by the National Company Law Tribunal, Cuttack Bench in the second motion application filed by the Transferee Company with respect to the Scheme, with the jurisdictional Registrar of Companies.

We request you to kindly take the same on your record.

Yours sincerely,

**For Mangalore Chemicals & Fertilizers Limited**

**Vighneshwar G Bhat**  
Company Secretary

**IN THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH**

*[Through Physical hearing/ VC Mode (Hybrid)]*

**ITEM No.22**  
**C.P. (CAA) No.26/BB/2025**

**IN THE MATTER OF:**

M/s. Mangalore Chemicals & Fertilisers Ltd. ... Petitioner

**Petition under Section 230-232 of the Companies Act, 2013**

**Order delivered on: 24.09.2025**

**CORAM:**

**SHRI SUNIL KUMAR AGGARWAL**  
**HON'BLE MEMBER (JUDICIAL)**

**SHRI RADHAKRISHNA SREEPADA**  
**HON'BLE MEMBER (TECHNICAL)**

**PRESENT:**

For the Petitioner : Shri Saji P. John

**ORDER**

1. Heard Ld. Counsel for the Petitioner.
2. **C.P. (CAA) No.26/BB/2025 is allowed and disposed of** vide separate Order. File be consigned to record room.

**-Sd-**  
**RADHAKRISHNA SREEPADA**  
**MEMBER (TECHNICAL)**

**-Sd-**  
**SUNIL KUMAR AGGARWAL**  
**MEMBER (JUDICIAL)**

Shruthi

**IN THE NATIONAL COMPANY LAW TRIBUNAL**  
**BENGALURU BENCH, BENGALURU**  
*(Through Physical Hearing/VC Mode (Hybrid))*

**C.P. (CAA) No.26/BB/2025**  
**(Second Motion)**

U/s. 230 to 232 of the Companies Act, 2013  
and other applicable provisions of the Companies Act 2013  
R/w. the Companies (Compromises, Arrangements and  
Amalgamations) Rules, 2016

**IN THE MATTER OF SCHEME OF:**

**MANGALORE CHEMICALS & FERTILIZERS LIMITED**

Level-11, UB Tower, UB City, 24,  
Vittal Mallya Road,  
Bengaluru,- 560 001

**...PETITIONER COMPANY NO.1/  
TRANSFEROR COMPANY**

**PARADEEP PHOSPHATES LIMITED**

at 5<sup>th</sup> Floor, Orissa State  
Handloom Weavers' Co-Operative Building,  
Pandit J.N Marg,  
Bhubaneswar, Orissa, India - 751 001

**... NON-PETITIONER COMPANY/  
TRANSFeree COMPANY**

**Order delivered on: 24.09.2025**

**Coram:** 1. Hon'ble Shri. Sunil Kumar Aggarwal Member (Judicial)  
2. Hon'ble Shri Radhakrishna Sreepada, Member (Technical)

**Present:**

For the Applicant Companies	:	Shri Saji.P.John
For the ROC & RD	:	Shri Vinayaka Pandit
For I.T Department	:	Shri Ganesh Ghale

**ORDER**

1. This is a second motion Petition filed on 30.06.2025 by **M/s. Mangalore Chemicals and Fertilizers Limited** (hereinafter called as the Petitioner Company No.1/Transferor Company) With **Paradeep Phosphates Limited** (hereinafter called as the Non-Petitioner Company/Transferee Company) under Sections 230 to 232 of the Companies Act, 2013 (for short to be referred hereinafter as the "**Act**") R/w. the Companies (Compromises,

Arrangements and Amalgamations) Rules, 2016 (for brevity, "**Rules**"), inter alia, seeking for the sanction of Scheme of Amalgamation of the Petitioner Companies w.e.f. the Appointed date or such other date as determined in terms of the Scheme so as to be binding on all the shareholders and creditors of all the Companies U/s. 232 of the Act.

2. The petitioner company filed First Motion Application bearing CA (CAA) No. 06/BB/2025 before this Tribunal. Based on such application moved under section 230-232 of the Companies Act, 2013 necessary directions were issued vide order dated 01st May 2025 to convene the meetings of Equity Shareholders, Secured Creditors and Unsecured Creditors of the Petitioner Company/Transferor Company. The meetings of Equity Shareholders, Secured Creditors and Unsecured Creditors of the Petitioner Company/Transferor Company was held on 16th June 2025 and the resolution approving the Scheme was passed with requisite majority in the respective meetings. The Chairpersons report of the meeting have been furnished along with the petition as Annexure-J

3. When the petition was listed on 04.07.2025, the following directions were issued: -

*4. In view of the above, issue notice to the authorities specified in Section 230(5) for submitting their representation if any.*

*5(a). Petitioner(s) are directed to take steps for issuance of notice in Form CAA3 and to the Central Government, through the Ministry of Corporate Affairs to the Jurisdictional Regional Director(s), Ministry of Corporate Affairs.*

*5(b). Notices to the Regional Director(s) to be sent on [rd.ser@mca.gov.in](mailto:rd.ser@mca.gov.in).*

*5 (c). Notice to the RoC to be sent on [roc.bangalore@mca.gov.in](mailto:roc.bangalore@mca.gov.in)*

*5(d). Notice to the Official Liquidator to be sent on [ol.bangalore@mca.gov.in](mailto:ol.bangalore@mca.gov.in)*

*5(e). Notice to the Income Tax Authorities to be sent on [bangalore.pccit@incometax.gov.in](mailto:bangalore.pccit@incometax.gov.in)*

*5(f). Notice to the Statutory Regulators/Sectoral Regulators and Authorities if applicable, be issued.*

*6. Notice is also directed to be published in two prominently circulating national daily newspapers namely "Business Standard" in English and "Kannada Prabha" in Kannada in terms of Rule 7 of the Companies (Companies Arrangements and Amalgamation) Rules, 2016.*

*7.All the authorities on receipt of the notice, are directed to file their representation, if any, within 30 days from the date of receipt of the notice. In case, no representation is received, it will be presumed that they have no objection to the proposal. List on 20.08.2025.*

4. Pursuant to the aforesaid notice, the authorized signatory of the Petitioner company / Transferor Company has filed copies of proof of service of notice vide Diary No. 4458 on 12.08.2025, to the aforesaid authorities and also copies of paper publication of notice of hearing. Further, Petitioner Companies States that there are no objectors to the scheme and hence Notice to objectors are not required to be issued
5. The main objects, dates of Incorporation, authorized, issued and paid-up share capital, rationale of the scheme and interest of employees have been discussed in detail in first motion order dated 01.05.2025.
6. The Board Resolution of the Petitioner Companies approving the Scheme of is annexed as Annexure F1 and F2 to the petition.
7. It is further submitted that the Certificate of Statutory Auditors of the Transferee Company, stating that the accounting treatment contained in Clause 36 of Draft Scheme is in compliance with the applicable accounting standards notified under Section 133 of the Act and other generally accepted accounting principles. The aforesaid certificate is attached as Annexure Q- Series of the Petition. Further, it is submitted that the Certificate of Statutory Auditors of the Transferor Company states that no accounting treatment is required in the books of the Transferor Company since the Transferor Company shall stand amalgamated and dissolved pursuant to the Scheme.
8. The Petitioner Company has filed affidavits with regard to the Sectoral Regulators, No Corporate Debt Restructuring and no Investigations, Litigations or Proceedings pending against the Petitioner Companies or the Directors of the Company before any Statutory Authorities involved in the matter. The aforesaid Affidavits are attached as Annexures N, O & P of the Petition.

9. The Audited Financial Results as on 31<sup>st</sup> March 2025 and Audited Financial Statements as on 31<sup>st</sup> March 2024 of the Petitioner Company /Transferor Company are attached Annexure C 1 & C2 of the Petition. The Audited Financial Results as on 31<sup>st</sup> March 2025 and Audited Financial Statements as on 31<sup>st</sup> March 2024 of the Non-Petitioner Company /Transferee Company are attached Annexure E 1 & E2 of the Petition
10. "Appointed Date 2" as defined under the scheme is April 01<sup>st</sup>, 2024 and "Appointed Date 1" shall mean the *Effective Date 1*.
11. The Valuation Report for Composite Scheme of Arrangement of the Transferor Company and Transferee Company is attached as Annexure – G of the Petition.
12. In pursuant to the notice, the Regional Director (RD) and the Registrar of Companies (ROC) have filed their Common report vide Dairy No. 4529 dated 18.08.2025. Both RD and ROC have raised the following observations vide Para-3 of their report:
  3. That this Directorate has received letter No. ROCB/CAA-230-232/CP(CAA)No.26/BB/2025 dated 05.08.2025 from the Registrar of Companies, Karnataka, Bengaluru pointing out certain observations as under: -
    - a. That the Transferee Company is registered under the jurisdiction of Registrar of Companies, Cuttack and the Transferor Company is registered under the jurisdiction of Registrar of Companies, Karnataka. The observations henceforth are restricted to the Transferor Company only.
    - b. That the Transferor Company is a public limited company registered in the State of Karnataka and engaged in the business of manufacturing fertilizers of all kinds and description, chemicals and other allied items required for agricultural and other industries and the equity shares of the Transferor Company are listed on the Bombay Stock Exchange Ltd. and National Stock Exchange of India Limited.

That as per the latest shareholders list attached to the last Annual Return filed as on 31.03.2024 of the Transferor Company, Zuari

Agro Chemicals Limited, a body corporate, holds major Equity Shares of 54.03% in the Transferor Company.

- c. That as per clause E (8)(D) of Part I of the scheme, the Appointed date is 01st April, 2024.
- d. That as per MCA records, Transferor Company has open charges. Hence, the companies has to obtain and furnish No objection Certificates from the concerned charge holder/s before the scheme is allowed.
- e. That the Transferor Company, being a public company, has passed the Board Resolution for approval of the Scheme of Arrangement and filed the same in e-form MGT-14 vide SRN AB5308667.
- f. That the Transferor Company is a Listed Company. The Equity Shares of the Transferor Company are listed on National Stock Exchange and Bombay Stock Exchange. The Transferor Company is required to show the compliances of SEBI (Listing Obligations and Disclosure Requirements), 2015.
- g. That as per para 15 of Hon'ble NCLT, Bengaluru Bench order dated 01.05.2025, the meetings of the Equity Shareholders of the Transferor Company were directed to be convened on 16.06.2025, and as per the Chairperson's Report dated 19.06.2025, the Scheme has been approved by the requisite majority vide a resolution passed in the meeting convened on 16.06.2025 and the meetings of the Secured Creditors of the Transferor Company were directed to be convened on 16.06.2025, and as per the Chairperson's Report dated 19.06.2025, the Scheme has been approved by the requisite majority vide a resolution passed in the meeting convened on 16.06.2025 and the meetings of the Unsecured Creditors of the Transferor Company were directed to be convened on 16.06.2025, and as per the Chairperson's Report dated 19.06.2025, the Scheme has been approved by the requisite majority vide a resolution passed in the meeting convened on 16.06.2025.
- h. That as per Clause 23 of Part II of the Scheme, the Transferee Company shall without any further application or deed issue and allot to each equity shareholder of the Transferor Company as on

the record date in the following manner.

*"187 (One Hundred and Eighty Seven) fully paid-up Equity Share(s) of INR 10 (Indian Rupees Ten) each of the Transferee Company for every 100 (One Hundred) fully paid-up Equity Share(s) of INR 10 (Indian Rupees Ten) each of the Transferor Company."*

- i. That as per Clause 38 of Part III of the Scheme, in accordance with the conditions of lenders of the Transferee Company, the Transferor shareholder shall transfer the identified shares to the Transferee Company. The Petitioner Company to provide details of such identified shares along with their holding. Further, as per Clause 39, a price of Rs.144 per share of the Transferor Company has been fixed, However, the current shares price of the Transferor Company (as on 04.08.2025) is Rs. 362 per share. In view of the above, the Petitioner Companies may provide the rationale for arising at the above price to the Hon'ble Tribunal along with the necessary documents / valuation report. Further, it is to ensure that the interest of the Transferor Company shareholders are protected at all costs.
- j. That as per Clause 42 of Part IV of the Scheme provides for the Clubbing of Authorised Share Capital wherein it is stated that the Authorised Share Capital shall automatically stand increased without any payment of stamp duty and fees. The Transferee Company shall comply with the provisions of Section 232(3)(i) of the Companies Act, 2013 and pay the differential fee after setting off the fee already paid by the Transferor Company and shall furnish an undertaking before the Hon'ble Tribunal in this regard.
- k. That as per Clause 18(a) of Part II of the Scheme, all employees of the Transferor Company shall be absorbed into the Transferee Company. The Petitioner Companies are required to take care of the interest of employees that are being transferred to the Transferee Company upon approval of the Scheme and be directed to furnish an undertaking before the Hon'ble Tribunal in this regard.
- l. That as per the latest Audited Financial Statements for the year



ending 31/03/2024, the Transferor Company is a profit-making entity.

- m. That as per Note no. 21 of the Audited Financial Statements for the year ending 31.03.2024, the Transferor Company has undisputed statutory status due to the tune of Rs. 278.48 lakhs. The Petitioner Companies may be directed to furnish an undertaking to Hon'ble NCLT to the effect that it will settle the statutory dues immediately, if not settled so far and the Transferee Company shall not absolve any statutory dues payable by the Transferor Company.
- n. That as per Note no. vii(b) of Annexure - I of the Independent Auditor's Report of the Transferor Company for the financial year ending 31/03/2024, the Transferor Company have total outstanding disputed dues towards Income Tax, Excise duty, Entry Tax, Customs Duty and Services Tax to the tune of Rs. 1971.27 lakhs. The Transferee Company may be directed to furnish an undertaking to the Hon'ble NCLT to the effect that it will settle the dues as and when the claim is crystallised.
- o. That as per Note no. 20 of the Audited Financial Statements for the year ending 31.03.2024, the Transferor Company has total outstanding due to Micro, Small and Medium Enterprises to the tune of 115.11 lakhs. The Transferor Company may be asked to show as to how it has complied with Micro, Small and Medium Enterprises Development Act, 2006 and may be directed to furnish an undertaking to the Hon'ble NCLT to the effect that it will settle the dues as per the said Act immediately, if not settled so far.
- p. That as per the Financial Statements for the year ending 31.03.2024, the Transferor Company has Foreign Exchange Transactions. The company may be asked to submit the relevant approvals and compliances made under FEMA/ RBI regulations before the Scheme is allowed.
- q. The object clauses of the Transferee Company need to be suitably altered so as to enable it to carry out the objects carried out by the Transferor Companies post sanction of the Scheme by complying

with the applicable provisions of the Companies Act, 2013 and also by filing relevant e-forms.

- r. That the Accounting Treatment as mentioned in the Scheme needs to be as per the prescribed Accounting Treatment in the Companies Act, 2013 and the applicable Accounting Standards issued from time to time.
  - s. That the Petitioner Companies are required to comply with the provisions of Section 239 of the Companies Act, 2013 with respect to preservation of books and papers of Amalgamated Company. The Hon'ble Tribunal may be pleased to direct the Petitioner Companies to furnish an undertaking in this regard.
  - t. That as per Section 240 of the Companies Act, 2013, the liability in respect of offences committed under the Companies Act by the Officers in default or directors of or any person in connection to the Transferor Company prior to merger, Arrangement or acquisition shall continue after such merger, Arrangement, or acquisition.
  - u. That there are no open Complaint, Prosecution, Technical Scrutiny/Inquiry, Inspection, and Investigation pending in this office against the Transferor Company.
4. The report of the official liquidator dated 15-07-2025 (copy enclosed) has been filed before the Hon'ble NCLT which may kindly be taken on record and also further report of the official liquidator containing observations if any, may also be taken on record before the approval of the scheme.
  5. With reference to this Directorate's letter dated 25.07.2025, issued to the Addl. Commissioner of Income Tax, Bangalore till date no reply/comments in the matter has been submitted to this Directorate. Hon'ble Tribunal may be pleased to direct the petitioner companies to furnish an undertaking that, if any demand arises from the Income Tax Department with respect to Transferor Company and Transferee Company, Transferee Company is ready to pay the said dues as per the rules.
  6. On examination of the contents of the scheme, replies of the petitioner

companies and apart from the observations stated in para 3 above, the observation of the Deponent is as under:

- a. That as per Clause 6 of Part-I of the Scheme, it is stated that the scheme also provides for the share transfer which shall be undertaken as an integral part of the Scheme to ensure that the existing promoter of the Transferee Company continues to hold more than 50% of the share capital of the Transferee Company upon the consummation of the Scheme which will ensure the continued control by the existing promoter of the Transferee Company as lender(s) of the Transferor Company and the Transferee Company require the existing promoter of the Transferee Company to continue exercise control and hold more than 50% of the share capital of the Transferee Company even after the Scheme becomes effective.
- b. That the shares of the Transferor Company are listed on BSE and NSE, the Transferor Company is required to show the compliances of SEBI (Listing Obligations and Disclosure Requirements), 2015. Further, the Transferee Company shall comply with the observations of BSE & NSE vide letters dated 27-2-2025 & 28-2-2025 respectively.
- c. That it is observed that promoter company Zuari Agro Chemicals Limited has received show cause notice for alleged violation of provisions of SEBI LODR Regulations 2015 and it stated that such notice does not have any effect of the Scheme and a settlement application has been filed with SEBI on the said proceeding. In this regard, Transferor Company may be directed to furnish the current status of the case and also furnish an undertaking before the Hon'ble Tribunal stating that there will not be any effect of such case on the Scheme.
- d. That the Scheme of Arrangement requires prior approval of Competition Commission of India, the Transferor Company has filed form with CCI and vide letter dated 30-07-2024, CCI has issued an order. In this regard, the Transferor Company shall comply with the observations/ directions if any, given by the CCI.

- e. That as seen from the Scheme, the Scheme has two appointed dates and the Appointed Date 1 shall mean the Effective Date 1 and the Appointed Date shall mean 01-04-2024. In this regard, the Transferor Company may be directed to clarify with regard to the choosing of two different dates as Appointed Date.
- f. That as per Clause 38 & 39 of the Scheme, it is stated that as lenders) of the transferor Company and the Transferee Company require the existing promoter of the Transferee Company to continue to exercise control and hold more than 50% of the share capital of the Transferee Company even after the scheme becomes effective, and in order to ensure that the existing promoter of the Transferee Company continues to hold more than 50% of the share capital of the Transferee Company upon Part II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2, as an integral part of the Scheme, the Transferor Shareholders shall transfer the Identified shares to the transferee Shareholders, such that upon transfer of the Identified shares by the Transferor Shareholder to the Transferee Shareholder on the Effective Date 1, the rights, title and interest relating thereto, including all dividends, distributions or any return of capital declared, paid or made by the Transferor Shareholder, free and clear of Encumbrances and the Transferee Shareholder may raise funds/financing from its shareholders) and/or from external source(s) to fund the share transfer as contemplated in Part-III of the Scheme and the transfer of Identified Shares from the Transferor Shareholder to the Transferee Shareholder shall take place on the Effective Date 1 at a price of INR 144 per Identified Share and the Transferee Shareholder shall pay an aggregate cash consideration of INR 418.14 crores for the Share Transfer, subject to any taxes that need to be deducted at Source and all taxes payable relating to the transfer of Identified Shares as may be applicable on the Transferor Shareholder shall be the sole responsibility of the Transferor Shareholder. In this regard, the Transferor Company

may be directed to furnish detailed clarification/ justification with regard to the transfer of identified shares and the Hon'ble Tribunal may be directed to furnish an undertaking before the Hon'ble Tribunal with regard to the compliance of the above.

- g. That through the present Scheme of Arrangement, a public listed company is merging with another Public Limited Company, the interests of the shareholders should be protected by the Transferee Company and the Scheme should not be prejudicial to the interest of the public. Hence, the Petitioner Company may be directed to furnish an undertaking before the Hon'ble Tribunal stating that the interests of the stakeholders is being protected.
- h. That as per Clause 18 of the Scheme, it is stated in the Scheme that all persons who were employed in the Transferor Company immediately before the Effective Date 2 shall become employees of the Transferee Company pursuant to the Sanction Orders, on terms and conditions which are overall not less favourable than those that were applicable to such employees immediately prior to Effective Date 2 and without any break or interruption in service. In this regard, the Transferee Company may be directed to furnish an undertaking before the Hon'ble Tribunal stating that the interests of the employees of the Transferor Company are being protected by the Transferee"

13. Subsequently, reply affidavit to the Common Report of RD & ROC have been filed by the Petitioner Companies vide diary No. 4542 dated 18.08.2025, *inter alia* stating as under: -

- i. Regarding observation in para 3 (a) and 3 (b) of the Common report: It is submitted that the said observation is correct and is not required to be traversed.
- ii. Regarding observation in Para No. 3 (c) of the Common report: it is submitted that "Appointed Date 2" shall mean 1<sup>st</sup> April 2024.
- iii. Regarding observation in Para No. 3 (d) of the Common report: it is submitted that the meeting of the Secured Creditors of the Transferor Company was directed to be convened by this Hon'ble

Tribunal vide Order dated 01.05.2025 and 100% of Secured Creditors of the Transferor Company, who cast their votes, approved the Scheme Arrangement in the said NCLT Convened Meeting. A copy of the Chairperson's Report in this regard is produced at Annexure J of the Company Petition.

- iv. Regarding observation in Para No. 3 (e) of the Common Report, it is submitted that the Transferor Company has passed the Board Resolution for approval of the Scheme of Arrangement and filed the same in e-form MGT-14 vide SRN AA6966984 and AB2050496.
- v. Regarding observation in Para No. 3 (f) and 6 (b) of the Common Report, it is submitted that Equity Shares of the Petitioner Company/ Transferor Company are listed on both BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). The Petitioner Company/ Transferor Company has already received the observation letter stating 'No Adverse Observation' from BSE and observation letter stating 'No Objection' from NSE on 27th February 2025 and 28th February 2025 respectively on draft scheme in compliance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023. Certified true copies of the same are produced as ANNEXURE – K of the Petition. The Transferee Company undertakes to comply with the observations of BSE and NSE in their No Objection Letters dated 27.02.2025 and 28.02.2025.
- vi. Regarding observation in Para No. 3 (g) & (h) of the Common Report, it is submitted that the said observation is correct and is not required to be traversed.
- vii. Regarding observation in Para No. 3 (i) and 6(g) of the Common Report, it is submitted that transfer of Identified shares (including the consideration) is in the interest of the shareholders and creditors of the Transferor Company, which has been duly considered and approved by various regulators as well as the stakeholders of the Transferor Company and the Transferee Company

- 10.1 Clause 6 of the Scheme provides the rationale for transfer of identified shares as an integral part of the scheme – i.e., such share transfer will ensure the continued control by the existing promoter of the transferee company, as lender (s) of the transferor company and the transferee company require the existing promoter of the transferee company to continue to exercise control and hold more than 50 % (fifty percent) of the share capital of the transferee company even after the scheme becomes effective.
- 10.2 Thus, the relevant date for valuation of the identified shares is 7<sup>th</sup> February 2024- i.e. the date when the scheme was initially approved by the board of directors of the transferor company and the transferee company (subject to obtaining necessary approvals). The fair value of Identified shares on such date was INR- 144 per share – which is also in line with the consideration for amalgamation receivable by all the shareholders of the transferor company.
- 10.3 As per the joint independent valuation report dated 7<sup>th</sup> February 2024 obtained by the transferor company and the transferee company, the merger swap ratio is 1.87, i.e. 187 equity shares of Transferee Company for every 100 equity shares of the transferor company. The relative swap ratio was determined by the independent valuers, where in the fair value of the transferor company and transferee company was determined approximately at Rs. 144/- per share and Rs. 77/- per share respectively (i.e.,  $144/77=1.87$ ). The copy of the valuation report dated 7<sup>th</sup> February 2024 and the subsequent valuation report dated 25<sup>th</sup> November 2024 confirming the previous valuation is enclosed at Annexure G of the Company Petition. The summary of the relative fair valuation as well as the recommended swap ratio by the independent valuers is provided at Page 329,333,356, and 360 of the Annexure G of Company Petition containing the valuation reports.
- 10.4 The Transferor Company has also obtained the fairness opinion from the SEBI registered Merchant Banker on fairness of the above share exchange ratio whereby the Merchant Banker has concluded that the above share exchange ratio is fair from financial point of view of the shareholders of the Transferor Company. The fairness opinion reports are provided at Annexure G of the Company Petition.
- 10.5 The BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE') has duly considered the above valuation report, including the detailed workings for such valuation and thereafter provided 'No adverse Observation Report' and 'No

Objection Report' respectively in relation to the Scheme on 27<sup>th</sup> February 2025 and 28<sup>th</sup> February 2025. Moreover, the Competition Commission of India have also provided their approval on the Scheme without providing any adverse remarks.

10.6 The Scheme was also approved by the requisite majority of the public shareholder, security creditors and unsecured creditors of the Transferor Company in the meeting convened as per the directions of Hon'ble NCLT Bengaluru Bench on 16<sup>th</sup> June 2025, wherein 99.99% of the public shareholders, 100% of the Secured Creditors and 100% of the Unsecured creditors, out of the total votes cast by them in their respective meetings, had approved the Scheme.

10.7 In view of the above, the transfer of identified Shares (including the consideration for such transfer) is in the interest of the shareholders and creditors of the Transferor Company. The relevant date for valuation of transfer of Identified shares as an integral part of the scheme is 7<sup>th</sup> February 2024 and any subsequent changes in the price of the shares or Transferor Company (which could be either favorable or adverse change) are market driven and are dependent upon various factors which are beyond control of the Transferor Company.

- viii. Regarding observation in Para No. 3 (j) of the Common Report, it is submitted that the Transferee Company undertakes to comply with the provisions of Section 232(3)(i) and pay differential fee, if any, after setting off the fees already paid by the Transferor Company on its authorized Share Capital.
- ix. Regarding observation in Para No. 3 (k) and 6 (i) of the Common Report, it is submitted that Clause 18 of the Scheme safeguards the interest of the Employees of Transferor Company. Further, upon the Scheme becoming effective, the Transferee Company undertakes to take necessary steps to implement Clause 18 of the Scheme and protect the interest of the Employees of the Transferor Company.
- x. Regarding observation in Para No. 3(l) of the Common Report, it is submitted that the said observation is correct and is not required to be traversed.
- xi. Regarding observation in Para No. 3(m) of the Common Report, it is submitted that the undisputed statutory dues of Transferor



Company appearing in note no. 21 of the audited financial statement of the Transferor Company has been paid as on date. Further, any undisputed statutory dues of the Transferor Company which is unpaid shall be paid by the Transferee Company upon the Scheme becoming effective as and when it becomes payable in accordance with law.

- xii. Regarding observation in Para No. 3(n) of the Common Report, it is submitted that upon Scheme becoming effective, the Transferee Company undertakes to settle the disputed statutory dues, if any, as and when the dues are crystalized in accordance with law.
- xiii. Regarding observation in para No.3 (o) of the Common Report, it is submitted that the dues towards MSME Creditors have been settled as per the provisions of MSME Act, 2006 and in the ordinary course of business. Further, the Transferor Company and the Transferee Company undertakes to settle the dues towards MSME Creditors in the ordinary course of business as and when the dues become payable.
- xiv. Regarding observation in para No. 3 (p) of the Common Report, it is submitted that the foreign exchange transactions of Transferor Company are in compliance with the FEMA/RBI Regulations and is completed through Authorised Dealer Banks with relevant approvals, as may be necessary. Further it is submitted that the said transactions arises in the ordinary course of business.
- xv. Regarding observation in Para No. 3(q) of the Common Report, it is submitted that the existing object clause of the Memorandum of Association of the Transferee Company enables it to carry on the business activities of the Transferor Company.
- xvi. Regarding observation in para No. 3(r) of the Common Report, it is submitted that certificate issued by the statutory auditors of the Transferor Company and Transferee Company to the effect that the accounting treatment specified in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Companies Act, 2013 is hereby produced as ANNEXURE 1 SERIES.

- xvii. Regarding observation in Para No. 3(s) of the Common Report, it is submitted that the Transferee Company undertakes to preserve the Books and Accounts of Transferor Company pursuant to the merger in accordance with law.
- xviii. Regarding observation in Para No. 3 (t) of the Common Report, it is submitted that the said observation is not required to be traversed as the same is provided under Section 240 of the Companies Act, 2013.
- xix. Regarding observation in Para No. 3 (u) of the Common Report, it is submitted that the said observations are correct and is not required to be traversed.
- xx. Regarding observation in Para No. 4 of the Common Report that it is submitted that Reply to the observation of the Official Liquidator's Report has been submitted vide DY No. 4459/2025 (Physical filing number) on 12.08.2025.
- xxi. Regarding observation in Para No. 5 of the Common Report that it is submitted that the Income Tax Department has filed its Report for Transferor Company and the Transferee Company has filed the Reply Affidavit to the said Report vide DY No. 2903111012442025/5 on 14.08.2025. Further, the Transferee Company undertakes that it shall pay the outstanding tax demand of the Transferor Company and the Transferee Company as and when it is crystalized and becomes payable in accordance of law.
- xxii. Regarding observation in Para No. 6(a) of the Common Report, it is submitted that the said observation is correct and is not required to be traversed.
- xxiii. Regarding observation in Para No. 6 (c) of the Common Report, it is submitted that the promoter of the Company, Zuari Agro Chemicals Limited, had received a show cause notice on 18<sup>th</sup> January 2025 for the alleged violation of the provisions of the SEBI LODR Regulations, 2015. Currently, a settlement application has been filed with SEBI on the said proceedings. The Transferor Company submits that such notice/ proceedings does not have any effect on the Scheme.

- xxiv. Regarding observation in Para No. 6 (e) of the Common Report, it is submitted that the Transferor Company undertakes to comply with observations/directions, if any, given by CCI.
  - xxv. Regarding observation in Para No. 6 (f) of the Common Report, it is submitted that "Appointed Date 1" which is same as "Effective Date 1", pertains to the transfer of Identified Shares (Clause 8(C) of the Scheme) and the "Appointed Date 2" being April 1, 2024 pertains to the amalgamation of the Transferor Company with the Transferee Company (Clause 8(D) of the Scheme). These Appointed Dates are in line with the provisions of section 232(6) of the Companies Act, 2013, which requires that the Scheme needs to clearly indicate an appointed date from which it shall be effective and the scheme shall be deemed to be effective from such date and not at a date subsequent to the appointed date. Since the transfer of Identified Shares and the amalgamation of Transferor Company with the Transferee Company are two integral parts of the Scheme, it is necessary to have two appointed dates in the Scheme, one for transfer of Identified Shares and the other for amalgamation of Transferor Company with the Transferee Company
  - xxvi. Regarding observation in Para No. 6 (h) of the Common Report, the Petitioner Company undertakes that the Scheme is not prejudicial to the Public interest and the Transferor Company and the Transferee Company shall ensure protection to the interests of the stakeholders involved. "
- 14.The Official Liquidator has filed a Report vide diary no.3824 dated 15.07.2024 by inter alia observing as under:

#### 11.Observations of Official Liquidator:

- a. That M/s. United Breweries (Holdings) Ltd. (In Liqn.) is under liquidation under the Official Liquidator, Karnataka. As per the Statement of Affairs filed by the Ex-Directors of the M/s. United Breweries (Holdings) Ltd. (In Liqn.), the Transferor Company is indebted for sum of Rs.35,84,63,971/- as on 07.02.2017. In this connection, this office has filed Company Application No.284 of 2023 under section 446 (2) (b) of the Companies Act, 1956 and read with rule 9 of the Companies (Court) Rules, 1959 before the

Hon'ble High Court of Karnataka for recovery of amount of Rs.80,44,88,961/-. The details of calculation payment to be made by the Transferor Company is given below:

SI	Particulars	Amount (Rs.)
1.	Amount due as on 07.02.2017 (As per the Statement of Affairs)	35,84,63,971
ADD	Simple Interest @18% PA from 07.02.2017 to 31.08.2023 on principal amount	42,35,57,100
2.	Unauthorized deduction from 01.02.2016 to 31.03.2016	95,00,000
ADD	Simple Interest @18% PA from 01.02.2016 to 31.08.2023 on principal amount	1,29,67,890
	TOTAL	80,44,88,961

The Transferor Company is liable to pay Rs.80,44,88,961/- along with future interest from 01.09.2023 till the date of payment. The C.A. No. 284/2023 is pending for orders before Hon'ble High Court of Karnataka.

- b. The Board of Directors of Transferor Company has approved the scheme on 07.02.2024. The Transferor Company vide their letter dated 14.06.2025 have informed that there are 6 Secured Creditors amounting to Rs.674,40,38,000/- and 503 Unsecured Creditors amounting to Rs. 157,96,56,000/- as on 31.01.2025. and the name of M/s. United Breweries (Holdings) Ltd. (In Liqn.) is not mentioned in the list of Unsecured Creditors furnished by Transferor company. The consent of the secured and unsecured creditors is not furnished till date and the meeting of secured and unsecured creditors are to be scheduled on 16.06.2025 respectively as per the directions of this Hon'ble Tribunal vide its order dated 01.05.2025 passed in CA (CAA) No.6/BB/2025. The Hon'ble Tribunal may pass necessary orders to the Transferor Company upon receipt of consent of secured and unsecured creditors and direct the Transferor Company to clear the dues of the M/s. United Breweries (Holdings) Ltd. (In Liqn.).
- c. As per Balance Sheet as at 31.03.2024, both Transferor and Transferee Companies have dues of the MSME. The Transferee Company needs to settle the MSME dues as per the MSME Act.
- d. From the Financial Statement of the Transferor Company for the FY ending 31.03.2023 & 31.03.2024 it is observed that the company is a going concern and has Revenue from operations to the extent of Rs.36,41,52,40,000/- & Rs.37,95,44,16,000/- respectively.

- e. As per the Financial Statements of the Transferor company as at 31.03.2024 Rs.67,82,89,000/- is shown towards employee benefit expenses and as per Clause 18 of Part II of the scheme: Transfer of Employees:

*"Without prejudice to the generality of Clause 11 above, upon Part II of the Scheme coming into effect on the Effective Date 2:*

*(a) all persons who were employed in the Transferor Company immediately before the Effective Date 2 shall become employees of the Transferee Company pursuant to the Sanction Orders, on terms and conditions which are overall not less favourable than those that were applicable to such employees immediately prior to Effective Date 2 and without any break or interruption in service. It is clarified that such employees of the Transferor Company who become employees of the Transferee Company by virtue of this Scheme, shall be governed by the terms of employment of the Transferee Company (including in connection with provident fund, gratuity fund, superannuation fund or any other special fund or obligation), provided that such terms of employment of the Transferee Company are overall not less favourable than those that were applicable to such employees immediately before Effective Date 2;"*

- f. As per Clause 22 of Part II of Section 'B' the scheme:

Consideration for Amalgamation

22 *"The Board of the Transferee Company shall determine the Record Date for the issue and allotment of Equity Shares to the shareholders of the Transferor Company".*

23 *"Upon Part II of the Scheme coming into effect on the Effective Date 2 and with effect from the Appointed Date 2 and in consideration of the amalgamation including the transfer and vesting of the Undertaking of the Transferor Company with the Transferee Company pursuant to this Scheme, the Transferee Company shall, without any further application, act, instrument or deed issue and allot to each equity shareholder of the Transferor Company as on the Record Date, 187 (One Hundred and Eighty Seven) fully paid-up Equity Share(s) of INR 10 (Indian Rupees Ten) each of the Transferee Company for every 100 (One Hundred) fully paid-up Equity Share(s) of INR 10 (Indian Rupees Ten) each of the Transferor Company".*

15. The reply to the Report of Official Liquidator have been filed by the Petitioner Companies vide Diary No.4459 dated 12.08.2025, inter alia stating as under:

- a. Regarding observation in Para No. 1 to 3 of the report of the Official Liquidator, it is respectfully submitted that the same pertains to the formal and procedural part of the Report, and as such, do not require any specific response from the Petitioner Company or Non-Petitioner Company.
- b. Regarding observation in Para No. 4 to 9 of the report of the Official Liquidator, it is submitted that the said observations are correct and are not required to be traversed.
- c. Regarding observation in Para No. 10 of the report of the Official Liquidator, it is submitted that as per clause 55(b) of the Scheme, the Transferee Company / Non-Petitioner Company shall bear and undertakes to pay the applicable stamp duty under the Karnataka Stamp Act upon issuance of stamp duty adjudication Order by the Jurisdictional District Registrar.
- d. Regarding observation in Para No. 11 (a) and (b) of the report of the Official Liquidator, it is submitted that the said observations are correct to the extent that a Case between Official Liquidator representing United Breweries (Holdings) Ltd. ('UBL') (Company under liquidation) and Petitioner Company herein is pending before the Hon'ble High Court of Karnataka at Bengaluru. Case is in the stage of Cross Examination. As stated in the Report, the said Case is not pending for Orders. The Case shall be posted for Orders once the final arguments are heard. It is an admitted fact that a case is ongoing with respect to the said amount and hence it is disputed debt amount. A disputed debt amount will not form part of the List of Creditors. In any event, if the amount is crystalized against the Transferor Company, the Transferee Company undertakes to settle the amount post-merger. A copy of the Statement of Objection filed by Transferor Company in CA 284/2023 before the Hon'ble High Court of Karnataka is produced as ANNEXURE 1.

Further it is submitted that the Meetings of Shareholders, Secured Creditors and Unsecured Creditors of the Transferor Company was convened on 16.06.2025 as per the directions of this Hon'ble Tribunal in the First motion Application. The Equity Shareholders, Secured Creditors and Unsecured Creditors have approved the Scheme with requisite majority in their respective meetings. A copy of the Chairperson's Report in this regard is produced at ANNEXURE J of the Company Petition.

- e. Regarding observation in Para No. 11(c) of the report of the Official Liquidator, we respectfully submit that all dues payable to MSME creditors by the Transferor Company are being settled in the ordinary course of business and in accordance with the provisions of the MSME Act. Furthermore, the Transferee Company hereby undertakes that, upon the effectiveness of the amalgamation and consequent dissolution of the Transferor Company, it shall ensure that any outstanding or future dues towards MSME creditors—whether pertaining to the Transferee Company itself or inherited from the Transferor Company—will be settled as and when they become payable, in the ordinary course of business, and in strict compliance with the requirements of the MSME Act.
  - f. Regarding observation in Para No. 11(d) of the report of the Official Liquidator, it is respectfully submitted that the said observations are correct and is not required to be traversed.
  - g. Regarding observation in Para No. 11(e) of the report of the Official Liquidator, it is respectfully submitted that the said observations are correct and are not required to be traversed.
  - h. Regarding observation in Para No. 11(f) of the report of the Official Liquidator, it is respectfully submitted that the said observations are correct and are not required to be traversed.”
16. In pursuant to the notice of Petitioner Company No.1, the Income Tax Department (IT) have filed their IT report vide Dairy No. 4381 dated 07.08.2025, inter alia stating as under: -

3	Details of any proceedings pending against applicant company under the income tax	As per the details in ITBA appeal is pending before CIT(A) for the AY 2015-16 and 2018-19 against order u/s 143(3) of the IT Act and Penalty proceeding u/s 271(1) (c) for the AY 2013-14 AND 2015-16 and 270A for the AY 2018-19 is pending
4	Details of tax demand pending for recovery (year wise amount outstanding)	Demand of Rs.97,17,615/- is outstanding for recovery as verified from ITBA
5.	Details of pendency of investigation/enquiry proceedings, if any	No investigations/enquiry proceedings pending as per details available with this office

17. Subsequently, reply affidavit to the Income Tax Report have been filed by the Petitioner Company No.1 vide diary No. 4513 dated 18.08.2025, *inter alia* stating as under: -

- a. With respect to the Serial Number 3 of the IT Report regarding the pending appeal before CIT(A) for the AY 2015-16 and 2018-19 against order u/s 143(3) of the Income Tax Act, 1961 & penalty proceedings u/s 271(1)(c) for the AY 2013-14 and 2015-16 and under 270A for the AY 2018-19, the details of the status of such pending appeals / proceedings is enclosed herewith and marked as ANNEXURE 1. Upon sanction of the Scheme and the Scheme becoming effective, all the proceedings, including tax proceedings, of Transferor Company shall be continued by or against Transferee Company in the same manner and to the same extent as it would have been continued by or against Petitioner Company.
- b. With respect to Serial Number 4 of the IT Report regarding the outstanding tax demand, it is hereby submitted that the Transferor Company has a disputed outstanding tax demand of INR 88,27,131/- for the AY 2014-15 and the same is under appeals at the High Court of Karnataka at Bengaluru and is not crystalized. A



copy of the Order sheet in connection with the said Appeal is produced as ANNEXURE 2. Upon sanction of the Scheme and the Scheme becoming effective, all the proceedings, including tax proceedings, of Transferor Company shall be continued by or against Transferee Company in the same manner and to the same extent as it would have been continued by or against Petitioner Company. The Transferor Company and the Transferee Company hereby undertake and confirm that all the demand pending against the Transferor Company shall be paid by the Transferee Company, as applicable, upon conclusion of the ongoing demands raised.

- c. It is submitted that the Transferee Company undertakes to surrender the PAN number of Transferor Company post-merger and Scheme approval order and undertakes to comply with all requirements under the Income Tax Act, 1961, in relation to the above matter.
- d. The Transferee Company further undertakes to settle the Income Tax dues of Transferor Company as and when the said dues are crystallised.

18. On 20.08.2025 the Learned Counsel for the ROC stated that there are no further observations with regard to response filed by the Petitioner. It was also informed that as the both companies are listed companies, Appeal is pending before the Hon'ble High Court and the copy of the order sheet in connection to the same is produced at the reply filed to the I.T report.

19. Heard the Ld. Counsel appearing for the Petitioner Companies and Ld. Counsel for the ROC/RD, OL and IT Department. We have carefully perused the pleadings of the parties and entire materials on record.

20. The reports of the RD/ROC, OL, and IT Department for the Petitioner Companies are taken on record. Similarly, reply filed by the Petitioner Companies to the reports are also taken on record.

21. In view of the above discussion, we conclude that the objections/observations to the scheme received from RD/ROC, OL and IT Department have been adequately replied by the Petitioner Companies and hence there is no impediment in approval of the scheme.

22. The Scheme in question as annexed at Annexure-A of the Petition is approved with Appointed Date 1 and Appointed Date 2 and thus we hereby declare that the same is binding on all the shareholders and creditors of the Petitioner Companies. While approving the Scheme, it is clarified that this order should not be construed as an order in anyway granting exemption from payment of any stamp duty, taxes, or any other charges, if any, and payment in accordance with law or in respect of any permission/ compliance with any other requirement which may be specifically required under any law.

**AND THIS TRIBUNAL DOES FURTHER ORDER:**

- i. That the Petitioner Company do, within 30 days after the date of receipt of this Order, cause a certified copy of this Order to be delivered to the Registrar of Companies, Karnataka for registration. The concerned Registrar of Companies shall place all documents relating to the Petitioner Company registered with him on the file relating to the said Petitioner Company and the files relating to Petitioner Company shall be consolidated accordingly, as the case may be; and
- ii. That the Petitioner Company shall deposit an amount of Rs.1,00,000/- (Rupees One Lakh) with the "Pay & Accounts Officer, Chennai in respect of the Regional Director, South East Region, Ministry of Corporate Affairs, Hyderabad" and Rs.25,000/- (Rupees Twenty Five Thousand) in favour of "The Prime Minister's National Relief Fund", within a period of four weeks from the date of receipt of certified copy of this Order; and
- iii. The Petitioner Company is directed to make compliance to the Provisions of Section 170A of the Income Tax Act, 1961 within the stipulated period of time.
- iv. The Petitioner Company is directed to surrender the PAN of the Company within one month on approval of the scheme.
- v. That any person interested shall be at liberty to apply this Tribunal in the above matter for any directions that may be necessary.

- vi.** The approval/sanctioning of the Scheme shall not be construed as an exemption from any of the provisions under the Income Tax Act, 1961 or the Companies Act, 2013 and that the authorities under both the Acts, are at liberty to take appropriate action, in accordance with law, if so advised.
- vii.** The Petitioner Companies have given various undertaking in response to observations made in ROC/RD, OL and I.T report. They are directed to ensure compliance of the same.

23. As per the directions, Form No. CAA-7 of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, formal orders be issued on the Petitioner Companies on filing of the affidavit detailing the Schedule of Property i.e., (i) freehold property of the Company and (ii) leasehold property of the Company.

**24. Accordingly, C.P. (CAA) No.26/BB/2025 is disposed of.** Copy of this Order be communicated to the Counsel for Petitioner Company.

**-Sd-  
(RADHAKRISHNA SREEPADA)  
MEMBER (TECHNICAL)**

**-Sd-  
(SUNIL KUMAR AGGARWAL)  
MEMBER (JUDICIAL)**