

THE PHOSPHATE COMPANY LIMITED

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Website : www.phosphate.co.in
CIN : L24231WB1949PLC017664
PAN : AABCT1270F

Ref:290A/761

February 13, 2023

To,
BSE Limited
The Corporate Relationship Department
P.J. Towers, 1st Floor,
Dalal Street,
Mumbai – 400 001.

To,
The Secretary,
The Calcutta Stock Exchange Ltd.,
7, Lyons Range,
Kolkata-700001.

Scrip Code: 542123

Scrip code: 10026031

Dear Sir,

Sub: Filing of Scheme under Regulation 37(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,

Pursuant to the requirements of the Regulation 37(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, we hereby submit the Certified true copy of the draft scheme of amalgamation of Abhinandan Goods Private Limited (“Transferor Company”) with The Phosphate Company Limited (“Transferee Company”) and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 for dissemination on the Exchange’s website.

Please take a note of the same.

Thanking you.

Yours faithfully

For The Phosphate Co. Ltd.

Shankar Banerjee

(Shankar Banerjee)

Dy. Secretary & Compliance Officer
Membership No.A45073



Encl.a/a

SCHEME OF AMALGAMATION
(UNDER SECTIONS 230-232 OF THE COMPANIES ACT, 2013)
AMONGST
ABHINANDAN GOODS PRIVATE LIMITED
(“TRANSFEROR COMPANY” OR “ABHINANDAN”)
WITH
THE PHOSPHATE COMPANY LIMITED
(“TRANSFeree COMPANY” OR “PHOSPHATE”)
AND
THEIR RESPECTIVE SHAREHOLDERS
UNDER SECTIONS 230-232 OF THE COMPANIES ACT, 2013

PREAMBLE

This Scheme (as defined hereinafter) is presented under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 for the Scheme of Amalgamation of Abhinandan Goods Private Limited (“Transferor Company” or “Abhinandan”) with The Phosphate Company Limited (“Transferee Company” or “Phosphate”) and their respective shareholders with effect from the Appointed Date (as defined hereinafter). In addition, this Scheme of Amalgamation also provides for various other matters consequential, supplemental and/or otherwise integrally connected therewith.

(A) BACKGROUND AND DESCRIPTION OF COMPANIES

The Phosphate Company Limited (hereinafter referred to as “Transferee Company” or “Phosphate”) having Corporate Identification Number L24231WB1949PLC017664, a company within the meaning of the Companies Act, 2013 and having its Registered Office at 14, Netaji Subhash Road 1st Floor Kolkata -700001, in the State of West Bengal. The Equity shares of the Transferee Company are listed on the BSE Limited (“BSE”) and The Calcutta Stock Exchange Limited (“CSE”). The Transferee Company is one of the leading Single Super Phosphate manufacturing company in the State of West Bengal engaged in the business of manufacture and sale of Phosphate and allied products.

Abhinandan Goods Private Limited (hereinafter referred to as “Transferor Company” or “Abhinandan”) having Corporate Identification Number U24100WB2009PTC133717, a company within the meaning of the Companies Act, 2013 the Companies Act, 1956 and having its Registered Office at 14, Netaji Subhash Road 1st Floor Kolkata -700001, in the State of West Bengal. Abhinandan is a wholly-owned subsidiary of the Transferee Company.



(B) RATIONALE FOR THE SCHEME OF AMALGAMATION IN THE MANNER PRESCRIBED IN THIS SCHEME

The Scheme of Amalgamation would result in consolidation of Transferor Company into Transferee Company and *interalia*, help in achieving the following key objectives:-

1. The Phosphate Company Ltd., Rishra, is engaged in manufacturing of Chemical Fertiliser engaging workers on Contract basis. After COVID epidemic, getting skilled workers on contract basis has become difficult. Further, the Company wishes to go in for Value Added Product where additional number of skilled workers will be required. Looking to these challenges, the Company is planning to open its own ITI or similar Training Centre under Skill India Mission or similar by offering Residential courses to migrant workers coming from Bihar and Jharkhand for Technical and Vocational Training. This will help the underprivileged work force to earn their livelihood with pride and at the same time the company will get trained workforce. It is thought prudent to utilise resources of the wholly owned subsidiary company by merging into Parent Company so that these facilities can be put to better use.
2. The Amalgamation will result in consolidating and improving the internal systems, procedures, and controls and bringing greater management and operational efficiency due to integration of various similar functions being carried out by all the Transferor Company such as finance, regulatory, management, etc.
3. Further, amalgamation will lead to reduction of administrative costs, operative and overhead expenses, legal and regulatory compliances, which would further lead to cost efficiency and optimum utilization of the available resources; and\
4. Furthermore, the amalgamation will lead to the consolidation of business and simplification of corporate structure and shareholding.

In consideration of the above mentioned business rationale and related benefits, this Scheme of Amalgamation is being proposed in accordance with the terms set out hereunder.

PARTS OF THE SCHEME OF AMALGAMATION:

This Scheme of Amalgamation ("Scheme") contemplates the Amalgamation of Abhinandan Goods Private Limited ("Transferor Company" or "Abhinandan") with The Phosphate Company Limited ("Transferee Company" or "Phosphate") in accordance with the provisions of Section 230 to 232 of the Companies Act, 2013 read with Rules made there under and in compliance with the provisions of Section 2(1B) of the IT Act. (The proposed Amalgamation as described above shall hereinafter be referred to as "the Arrangement").



This Scheme of Amalgamation is divided into the following parts:

1. **PART I** - Deals with the Definitions and Share Capital;
2. **PART II** - Deals with Amalgamation of Transferor Company with Transferee Company in accordance with the provisions of Section 230 to 232 of the Companies Act, 2013 read with Rules made there under and in compliance with the provisions of Section 2(1B) of the IT Act., consolidation of authorized share capital, issuance of consideration, the accounting treatment of the same and amendment in the main objects of the Transferee Company; and
3. **PART III** - Deals with General Terms and Conditions applicable to this Scheme.

PART - I
DEFINITIONS AND SHARE CAPITAL

1. **DEFINITIONS**

In this Scheme (as defined hereinafter), unless repugnant to the meaning or context thereof, the following expressions shall have the meaning mentioned herein below:

- 1.1 **"Act" or "The Act"** means the Companies Act, 2013 and the rules, regulations, circulars, notifications, any statutory modifications, re-enforcements or amendments thereof for the time being in force;
- 1.2 **"Applicable Law(s)"** shall mean any applicable statute, enactments, acts of parliament, state or provincial legislatures, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directives and orders of any government, statutory authority, tribunal, board or court;
- 1.3 **"Appointed Date"** for the purpose of this Scheme (as defined hereinafter) and the Income-tax Act, 1961 means April 1, 2022 or such other date as may be mutually agreed to by the Board of Directors of the Transferor Company and the Transferee Company. Upon the Scheme coming into effect, it shall operate with effect from the appointed date;
- 1.4 **"Appropriate Authority"** means any government, statutory, regulatory, departmental or public body or authority of the Jurisdiction of West Bengal, including Registrar of Companies and Regional Director of Ministry of Corporate Affairs;



- 1.5 **"Board of Directors"** or **"Board"** means and includes the respective Boards of Directors of Abhinandan Goods Private Limited ("Transferor Company" or "Abhinandan") and The Phosphate Company Limited ("Transferee Company" or "Phosphate") or any committee constituted by such Board of Directors of the aforesaid company(ies) for the purposes of the Scheme;
- 1.6 **"Effective Date"** has the meaning assignment to it in Clause 3 of this Scheme. Any reference in the Scheme to the "date of coming into effect of this Scheme" or **scheme taking effect** or "upon the Scheme becoming effective" or "effectiveness of this Scheme" shall mean the Effective Date;
- 1.7 **"IT Act"** means the Income-tax Act, 1961 and the rules, regulations, circulars, any statutory modifications, re-enforcements or amendments thereof for the time being in force;
- 1.8 **"NCLT" or "Tribunal"** means the National Company Law Tribunal, Kolkata Bench and shall be deemed to include, if applicable, a reference to such other forum or authority which may be vested with any of the powers of a Tribunal to sanction the Scheme under the Act;
- 1.9 **"Record Date"** for the purpose of this Scheme shall mean the date to be fixed by the Board of Directors of the Transferee Company for the purpose of determining the shareholders of the Transferor Company who are eligible to get the shares of the Transferee Company as per this Scheme;
- 1.10 **"Registrar of Companies"** means Registrar of Companies of State of West Bengal;
- 1.11 **"Scheme" or "the Scheme" or "this Scheme" or "Scheme of Amalgamation"** means this Scheme of Amalgamation, in its present form or with any modification(s) as approved or directed by the NCLT or such other competent authority, as may be applicable;
- 1.12 **"Undertaking Of The Transferor Company "** or **"Undertakings"** shall mean the entire business and all the undertakings of the Transferor Company as a going concern, all its assets, rights, licenses and powers, and all its debts, outstandings, liabilities, duties, obligations and employees as on the Appointed Date including, but not in any way limited to, the following:



- (i) All the assets (including Land either Leasehold or Freehold) and properties (whether movable or immovable, tangible or intangible, real or personal, corporeal or incorporeal, present, future or contingent) of the Transferor Company including but not limited to all leases, leasehold improvement, used or possessed by the Transferor Company;
- (ii) Without prejudice to the generality of the foregoing clause, the said undertaking shall include all rights, powers, interest, authorities, privileges, liberties and all properties and assets, movable or immovable, Shares, Units/Investments' in Mutual Fund, tangible or intangible, real or personal, corporeal or incorporeal, in possession or reversion, present or contingent or of whatsoever nature wherever situated, including without being limited to land, (including leasehold land), building, structures, plant and machinery, boundary walls, leasehold rights, electric installations, furniture and fittings, computers, air conditioners, capital work in progress, office equipment, vehicles, inventories, sundry debtors, cash and bank balance, loan and advances, leases, (including lease rights), tenancy and agency right and all other interest or right in or arising out of such properties, sub-letting tenancy rights, with or without the consent of the landlord as may be required, together with all licenses, trademark, patents, copyrights and other intellectual property rights of any nature whatsoever, all other rights and benefits (including tax benefit), easements, privileges, liberties and advantages of whatsoever nature, and all debts, liabilities, including without limiting to secured and unsecured debts, sundry creditors duties and obligation of the Transferor Company of whatsoever kind and howsoever arising provided always that the scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available against the Transferor Company which shall vest in the Transferee Company by virtue of the Amalgamation and the Transferee Company shall not be obliged to create any further or additional security therefore after the Amalgamation has become effective or otherwise.
- (iii) All agreements, Goodwill, rights, contracts (including customer contracts), entitlements, licenses, permits, permissions, incentives, approvals, registrations, and benefits of all agreements, arrangements, deposits, advances, recoverables and receivables, whether from government, semi-government, local authorities or any other person including customers, contractors or other counter parties, etc., all earnest monies and/or deposits, privileges, liberties, easements, advantages, benefits, exemptions, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, trademarks, designs, quota rights, development rights, if any, engagements, arrangements, authorities, allotments, security arrangements (to the extent provided herein), benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the Transferor Company business activities and operations.



- (iv) Amounts claimed by the Transferor Company whether or not so recorded in the books of account of the Transferor Company from any Governmental Authority, under any law, act or rule in force, as refund of any tax, duty, cess or of any excess payment, benefits of any unutilized GST credit, etc.) and whosoever situate, belonging to or in the ownership, power or possession or control of or vested in or granted in favor of or enjoyed by the Transferor Company.
- (v) Right to any claim not preferred or made by the Transferor Company in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Company and any interest thereon, with regard to any law, act or rule or scheme made by the Governmental Authority, and in respect of setoff, carry forward of un-absorbed losses, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. under the Income-Tax Act, 1961 or any other law or like benefits under the said acts or under and in accordance with any law or act.
- (vi) All debts (secured and unsecured), liabilities including contingent liabilities, duties, leases of the Transferor Company and all other obligations of whatsoever kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised. Provided that, any reference in the security documents or arrangements entered into by the Transferor Company and under which, the assets of the Transferor Company stand offered as a security, for any financial assistance or obligation, the said reference shall be construed as a reference to the assets pertaining to the Transferor Company only as are vested in the Transferee Company by virtue of the Scheme.
- (vii) All other obligations of whatsoever kind, including liabilities of the Transferor Company with regard to their employees with respect to the payment of gratuity, pension benefits and the provident fund or compensation, if any, in the event of resignation, death, voluntary retirement or retrenchment.

1.13 In this Scheme, unless the context otherwise requires:

- a) References to persons shall include individuals, bodies corporate (wherever incorporated), unincorporated associations and partnerships;
- b) The headings are inserted for ease of reference only and shall not affect the construction or interpretation of this Scheme;
- c) Words in the singular shall include the plural and vice versa; and
- d) The words "including", "include" or "includes" shall be interpreted in a manner as though the words "without limitation" immediately followed the same;
- e) Any document or agreement includes a reference to that document or agreement as varied, amended, supplemented, substituted, novated or assigned, from time to time, in accordance with the provisions of such a document or agreement;



- f) The words “other”, or “otherwise” and “whatever” shall not be construed ejusdem generis or be construed as any limitation upon the generality of any preceding words or matters specifically referred to;
- g) The term “Clause” refers to the specified clause of this Scheme;
- h) In addition to the defined terms under Clause 1, certain terms are defined elsewhere in this Scheme and wherever such terms are used in this Scheme, they shall have the meaning so assigned to them;
- i) References to one gender includes all genders; and
- j) All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye laws, as the case may be, including any statutory modification or re-enactment thereof from time to time.

2. COMPLIANCE WITH LAWS AND DIRECTION OF NCLT:

- 2.1 This Scheme is presented and drawn up to comply with the provisions / requirements of sections 230 to 232 of the Companies Act, 2013 for the purpose of Amalgamation of Transferor Company with the Transferee Company.
- 2.2 This Scheme has been drawn up to comply with the conditions relating to “amalgamation” as defined under Section 2(1B) and any other relevant sections of the IT Act as prevalent on the date of filing of Scheme with NCLT. If any terms or provisions of this Scheme are found to be or interpreted to be inconsistent with any of the said provisions of IT Act at a later date whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the tax laws shall prevail. This Scheme shall stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect other parts of this Scheme. The power to make such amendments as may become necessary shall vest with the Board of Directors, which power can be exercised at any time and shall be exercised in the best interests of the companies and their shareholders.
- 2.3 Upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise its financial statements and file revised return of income under the IT Act or any return under Statutory Act if required and it will have subsequent effect on the respective return by the Transferor Company as applicable even if transferor company donot file revise return and even if the prescribed time limit for filing or revising such returns have lapsed.



3. DATE OF TAKING EFFECT

3.1 The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT shall be effective from the Appointed Date but shall be operative from the last of the following dates, namely:-

- (a) That on which all consents, approvals, permissions, resolutions and orders as mentioned/referred to in Clause 13 hereof have been obtained or passed or fulfilled; or
- (b) That on which all necessary certified copies of NCLT order sanctioning the Scheme under Sections 230-233 of the Act shall be duly filed with the Registrar of Companies, Kolkata by the Transferor Company and the Transferee Company.

The last of such dates shall be the "Effective Date" for the purpose of this Scheme

3.2 Further, the Scheme is in no way, is a Scheme of compromise or arrangement with the creditors as all the creditors of the Transferor Company are intended to be paid in full as and when their respective amounts fall due in the usual course of business and therefore, the Scheme does not purport to affect the rights of the creditors. Further, the Transferor Company is solvent and the aggregate assets of the Transferor Company and the Transferee Company are adequate to meet the liabilities of all the existing creditors in full. The present Scheme is not a Scheme of Corporate Debt Restructuring as envisaged under Section 230(2)(c) of the Act or a Scheme of compromise or arrangement with creditors under section 230 of the Act.

4. SHARE CAPITAL

4.1. The authorized, issued and paid up share capital of "Phosphate" as on 31st March, 2022 is under:

Share Capital	Amount in INR
Authorized Share Capital	
2,50,00,000 Equity Shares of Rs. 10/-/- each	25,00,00,000/-
TOTAL	25,00,00,000/-
Issued, Subscribed and Paid-up Share Capital	
36,07,480 Equity Shares of Rs. 10/-/- each	3,60,74,800/-
TOTAL	3,60,74,800/-

The equity shares of the Transferee Company are listed on BSE and CSE.



4.2. The authorized, issued and paid up share capital of “Abhinandan” as on 31st March, 2022 is under:

Share Capital	Amount in INR
Authorized Share Capital	
2,50,000 Equity Shares of Rs. 10/-/- each	25,00,000/-
1000 Preference Shares of Rs. 1,00,000/- each	10,00,00,000/-
TOTAL	10,25,00,000/-
Issued, Subscribed and Paid-up Share Capital	
2,40,000 Equity Shares of Rs. 10/- /- each	24,00,000/-
1000 Preference Shares of Rs. 1,00,000/- each	10,00,00,000/-
TOTAL	10,24,00,000/-

The entire share capital of the Transferor Company is held directly by the Transferee Company viz. Phosphate and its nominees. There is no change in the Capital structure of the company since the above referred date.

PART - II

AMALGAMTION OF TRANSFEROR COMPANY WITH TRANSFEREE COMPANY

5. TRANSFER AND VESTING OF PROPERTIES, ASSETS, LIABILTIES AND BUSINESS OF TRANSFEROR COMPANY WITH THE TRANSFEREE COMPANY

5.1 Subject to the provisions of the Scheme in relation to modalities of Amalgamation, upon the coming into effect of this Part of the Scheme on the Effective Date, and with effect from the Appointed Date, the entire business and the whole of the undertaking, property, assets (whether movable or immovable, tangible or intangible), investments, rights, benefits, properties, land, building, furniture, fixtures, DEMAT accounts with depositories, interest, liabilities, contingent liabilities, duties and obligations of Transferor Company shall by operation of law pursuant to the orders of the NCLT and pursuant to provisions of section 230 to 232 and other applicable provisions of the Act, without any further act, deed, matter or thing, stand transferred and vested in and/or deemed to be transferred to and vested in the Transferee Company as a going concern so as to become the properties and liabilities of the Transferee Company within the meaning of Section 2(1B) of the IT Act.

5.2 **Transfer of Assets** - Without prejudice to the generality of the Clause 5.1 above, upon coming into effect of this Scheme and with effect from the Appointed Date:



5.2.1 All immovable properties including land, building and any other immovable property comprised in the Transferor Company, and any other documents, title, rights, and easements in relation to such immovable property, shall stand vested in the Transferee Company, without any further act or deed done by the Transferor Company or the Transferee Company, and without any approval or acknowledgement of any third party. With effect from the Appointed Date, the Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges, and fulfil all obligations, in relation to or applicable to such immovable properties. The mutation/ substitution of the title to such immovable properties shall be made and duly recorded in the name of the Transferee Company by the appropriate authorities on the Scheme becoming effective in accordance with the terms hereof. The Transferor Company shall take all step as may be necessary to ensure that lawful, peaceful and unencumbered possession, right, title, interest of the immovable properties comprised in the Transferor Company to the Transferee Company.

5.2.2 All the assets and properties of the Transferor Company, as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and delivery, shall, without any further act, instrument, deed, matter or thing being made, done or executed, stand vested in the Transferee Company, and shall become the property and an integral part of the Transferee Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by manual delivery or endorsement and delivery, as appropriate to the property being vested, and the title to such property shall be deemed to have transferred accordingly to the Transferee Company. Such delivery or transfer shall be made on a date mutually agreed between the respective Board of Directors of the Transferor Company and the Transferee Company, being a date after the sanction of the Scheme by the NCLT.

5.2.3 Any and all other movable property (except those specified elsewhere in this Clause 5.2.2) including all sundry debtors and receivables, outstanding loans and advances, investments, MAT Credit, GST credit, Tax Deducted at Source, assets recoverable in cash or in kind or for value to be received, actionable claims, dematerialized accounts with depositories, bank balances and deposits, if any, with government, semi-government, local and other authorities and bodies, customers and other persons of the Transferor Company shall, without any further act, instrument, deed, matter or thing being made, without any notice or other intimation to the debtors, done or executed, become the property of the Transferee Company.



5.2.4 Any recommendations, permits, leases, PF registration, ESI registration, licenses, approvals, consents, quotas, rights, authorizations, entitlements, registrations, tax deferrals and benefits, subsidies, concessions, grants, tenancy rights, no-objection certificates and licenses, if any, to which the Transferor Company is a party or to the benefit of which the Transferor Company may be entitled or which may be required to carry on the operations of the Transferor Company, and which are subsisting or in effect immediately prior to the Effective Date, shall be, and remain, in full force and effect in favour of or against the Transferee Company and may be enforced as fully and effectually as if, instead of the relevant Transferor Company, the Transferee Company had been a party, a beneficiary or an obligee thereto without any further act, instrument, deed, matter or thing being made, done or executed.

5.2.5 All rights, entitlements, licenses, applications and registrations relating to copyrights, trademarks, service marks, brand names, logos and other intellectual property rights of every kind and description, if any, whether registered, unregistered or pending registration, arising therefrom, to which Transferor Company is a party or to the benefit of which the Transferor Company may be eligible or entitled, shall become the rights, entitlement or property of the Transferee Company and shall be enforceable by or against the Transferee Company, as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto or the holder or owner thereof, without any further act, instrument or deed required by the Transferor Company .

5.2.6 The date of entitlement/ownership of the transferee company relating to all assets, properties, leasehold land, shares and securities, right, benefits, approvals, investments, ownership, title, powers, interests, authorities, licenses, privileges, liberties will be from the date to which the Transferor Company was entitled and it will be treated that the same have been entered into with the transferee company and the transferee company will step into the shoes of the Transferor Company .

5.3 Transfer of Liabilities - Without prejudice to the generality of the Clause 5.1 above, upon coming into effect of this Scheme and with effect from the Appointed Date

5.3.1 All secured or unsecured debts, liabilities (including contingent liabilities), guarantees, duties and obligations of every kind, nature and description, whether recorded in the books of accounts or not, arising, raised or incurred or utilized for the business activities or operations of the Transferor Company shall be deemed to have been transferred to the Transferee Company and to the extent they are outstanding on the Effective Date shall, without any further act, instrument, deed,



matter or thing being made, done or executed, stand transferred to the Transferee Company and shall become the liabilities and obligations of the Transferee Company which shall undertake to meet, discharge and satisfy the same. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person, who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.

5.3.2 Where any of the debt, liabilities (including contingent liabilities), guarantees, duties and obligations of the Transferor Company as on the Appointed Date, deemed to be transferred to the Transferee Company has been discharged by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company, and all loans raised and used and all liabilities and obligations incurred by the Transferor Company after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date shall also, without any further act, instrument, deed, matter or thing being made, done or executed, stand transferred to the Transferee Company and become the liabilities and obligations of the Transferee Company, which shall undertake to meet, discharge and satisfy the same and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such loans and liabilities have arisen in order to give effect to the provisions of this sub-clause.

5.3.3 Upon Scheme coming into effect and till such time the names of the respective bank accounts, demat accounts etc. of the Transferor Company are replaced with that of the Transferee Company, Transferee Company shall be entitled to operate the bank accounts and demat accounts of the Transferor Company in their respective names, as the case may be, in so far as may be necessary.

5.3.4 The transfer and vesting as aforesaid shall be subject to the existing charge/ hypothecation/ mortgage, if any, as may be subsisting and agreed to be created over or in respect of the said assets or any part thereof, provided however, any reference in any security documents or arrangements to which the Transferor Company is a party wherein the assets of the Transferor Company have been or are offered or agreed to be offered as security for any financial assistance or obligation shall be construed as references only to the assets pertaining to the Transferor Company and vested in the Transferee Company by virtue of this Scheme to the end and intent that the charges shall be extend and deemed to extend to any assets of the Transferee Company.



Provided that this Scheme shall not operate to enlarge the security for the said liabilities of the Transferor Company which shall vest in Transferee Company by virtue of this Scheme and Transferee Company shall not be obliged to create any further, or additional security thereof after the merger has become effective or otherwise. The transfer/ vesting of the assets of the Transferor Company as aforesaid shall be subject to existing charge/ hypothecation/ mortgage over or in respect of the assets or any part thereof of the Transferor Company.

5.3.5 Save as provided for by this Scheme, no other term or condition of the liabilities of the Transferor Company shall be modified except to the extent that such amendment is required by necessary implications.

5.3.6 The provisions of this clause shall operate notwithstanding anything to the contrary contained in any deed or writing or the terms of sanction or issue or any security document, all of which instruments shall stand modified and/or superseded by the foregoing provisions.

5.3.7 Without prejudice to the provisions of the above clauses and upon coming into effect of this Scheme, the Transferor Company and the Transferee Company shall execute such instrument and/or document and to do such acts and/or deeds as may be required, including filing of necessary particulars and/or modification of charge with the respective Registrar of Companies/ Ministry of Corporate Affairs, to give formal effect to the above provisions, if required.

5.4 Transfer of Legal Proceedings - Without prejudice to the generality of the Clause 5.1 above, upon coming into effect of this Scheme and with effect from the Appointed Date:

5.4.1 All legal, tax, quasi-judicial, administrative, regulatory or other proceedings of whatsoever nature by or against the Transferor Company pending and/or arising on or after the Appointed Date shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against the Transferee Company in the manner and to the same extent as would or might have been continued and enforced by or against the relevant Transferor Company without any further act, instrument, deed, matter or thing being made, done or executed. The Transferee Company will have all legal or other proceedings initiated by or against the Transferor Company referred to in this sub-clause, transferred in its name and to have the same continued, prosecuted and enforced by or against the Transferee Company, to the exclusion of the relevant Transferor Company .

5.5 Transfer of Contracts and Deeds - Without prejudice to the generality of the Clause 5.1 above, upon coming into effect of this Scheme and with effect from the Appointed Date



5.5.1 All letters of intent, memoranda of understanding, memoranda of agreements, contracts, deeds, bonds, agreements, insurance policies, guarantees and indemnities, schemes, arrangements, undertakings and other instruments of whatsoever nature or description, to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, shall be in full force and effect against or in favour of the Transferee Company and may be enforced by or against it as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto, without any further act, instrument or deed required by the Transferor Company or Transferee Company.

5.5.2 All lease or license or rent agreements, if any, entered into by the Transferor Company with landlords, owners, licensors or lessors in connection with the assets being used by the Transferor Company, together with security deposits, shall stand automatically transferred in favour of the Transferee Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. The Transferee Company shall continue to pay lease/ rent amounts as provided for in such agreements and shall comply with the other terms, conditions and covenants thereunder and shall also be entitled to refund of security deposits paid under such agreements by the Transferor Company.

5.5.3 All other agreements, if any, entered into by the Transferor Company in connection with the assets being used by the Transferor Company shall, stand automatically transferred in favour of the Transferee Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed.

5.5.4 The Transferor Company may, at any time after the coming into effect of the Scheme in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds, writings, confirmations or notices with, or in favour of, any other party to any contract or arrangement to which the Transferee Company are a party or any writings as may be necessary to be executed in order to give formal effect to the provisions of the Scheme.

5.5.5 All cheques and other negotiable instruments, payment orders received in the name of the Transferor Company after the Effective Date shall be accepted and honored by the bankers of the Transferee Company and credited to the account of the Transferee Company.

5.5.6 It is hereby clarified that if any Contracts cannot be transferred to the Transferee Company for any reason whatsoever, the Transferor Company shall hold such Contracts, in trust for the benefit of the Transferee Company.



5.6 Transfer of Employees - Without prejudice to the generality of the Clause 5.1 above, upon coming into effect of this Scheme and with effect from the Appointed Date

5.6.1 All the employees of the Transferor Company, if any in service on the Effective Date shall be deemed to have become employees of the Transferee Company with effect from the Appointed Date without any break, discontinuance or interruption in their service on the basis of continuity of service without any further act, instrument, deed, matter or thing being made, done or executed. The terms and conditions of their employment with the Transferee Company shall not be less favourable than those applicable to them with reference to the Transferor Company on the Effective Date.

5.6.2 The Transferee Company further agrees that for the purpose of payment of any retirement benefit/ compensation, such uninterrupted past services with the Transferor Company shall also be taken into account. Further, upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, any prosecution or disciplinary action initiated, pending or contemplated against and any penalty imposed in this regard on any employee by the Transferor Company shall be continued/continue to operate against the relevant employee and shall be enforced effectively by the Transferee Company.

5.6.3 With regard to provident fund, gratuity fund, superannuation fund or any other special fund or obligation created or existing for the benefit of such employees of the Transferor Company, upon occurrence of the Effective Date and with effect from the Appointed Date, of which the employees relating to the Transferor Company are members or beneficiaries, along with all accumulated contributions therein till the Appointed Date, upon the Scheme becoming effective, shall, with the approval of the concerned authorities, if required, be transferred to and continued to be administered by Transferee Company for the benefit of such employees on the same terms and conditions. Accordingly, the provident fund, superannuation fund and gratuity fund dues, if any, of the said employees of the Transferor Company would be continued to be deposited in the transferred provident fund, superannuation fund and gratuity fund account by the Transferee Company. Further, upon occurrence of the Effective Date and with effect from the Appointed Date, the name of the Transferee Company shall stand substituted for the Transferor Company, for all purposes whatsoever relating to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds. It is clarified that the services of the employees of the Transferor Company will be treated as having been continuous for the purpose of the said fund or funds or gratuity.



5.7 Transfer of taxes, duties, etc. - Without prejudice to the generality of the Clause 5.1 above, upon coming into effect of this Scheme and with effect from the Appointed Date

5.7.1 All the taxes of any nature, duties, cess or any other deduction or any other like payment made by each of the Transferor Company to any statutory authorities such as income tax, advance tax, tax paid under Minimum Alternative Tax, Goods and Service tax, Custom Duty etc. or any tax deduction/ collection at source, credits (including GST credit, MAT Credit), etc., if any, of the Transferor Company shall be deemed to have been on account of or on behalf of or paid by the Transferee Company, without any further act, instrument, deed, matter or thing being made, done or executed, and the Transferee Company shall be entitled to claim credit for such taxes deducted (at source)/ paid against its tax/ duty liabilities/ minimum alternative tax credit, Goods and Service tax, Custom Duty etc., upon Scheme becoming effective, notwithstanding that the certificates/challans or other documents for payment of such taxes/duties are in the name of the Transferor Company. Further, upon the coming into effect of this scheme, all tax compliances under the applicable tax laws by the Transferor Company on or after Appointed Date shall be deemed to be made by the Transferee Company.

5.7.2 All the deductions otherwise admissible to the Transferor Company including payment admissible on actual payment or on deduction of appropriate taxes or on payment of tax deducted at source (such as section 43B, section 40, Section 40A etc. of the IT Act) will be eligible for deduction to Transferee Company, upon fulfillment of conditions, if any, required under the IT Act. Any refund, under the IT Act, goods and service tax laws, custom duty law or other applicable laws, regulations dealing with taxes, duties, land levies, levies due to the Transferor Company consequent to the assessment made on the Transferor Company (including any refund for which no credit is taken in the books of accounts of the Transferor Company on the Appointed Date) shall belong to and be received by the Transferee Company without any further act, instrument, deed, matter or thing being made, done or executed, become the property of the Transferee Company.

5.7.3 Upon the Scheme becoming effective, the Transferee Company is also expressly permitted to revise its income tax returns, withholding tax returns, goods and service tax returns, TDS returns, TDS certificates, and other statutory returns and filings under the tax laws notwithstanding that the period of filing/ revising such returns may have lapsed and to claim refunds, advance tax and withholding tax credits etc., pursuant to the provisions of this Scheme. The Transferee Company is expressly permitted to amend tax deduction at source certificate and other statutory certificates, and shall have the right to claim refunds, advance tax credits, set offs and adjustments relating to its incomes/ transactions from the Appointed Date.



5.7.4 Any refund under the Tax Laws due to Transferor Company consequent to the assessments made on Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company

5.7.5 Without prejudice to the generality of the above, all benefits including under the income tax, goods and service tax, customs duty, luxury tax, VAT, etc., to which the Transferor Company are entitled to in terms of the applicable Tax Laws of the Union and State Governments, shall be available to and vest in the Transferee Company

5.8 Saving of Concluded Transactions -

5.8.1 The transfer of all the assets and liabilities of the Transferor Company under Clause 5.2 and 5.3 above, continuation of legal proceedings under Clause 5.4 above and the effectiveness of Contracts and Deeds under Clause 5.5 above, transfer of all employees of the Transferor Company under Clause 5.6 above and transfer of all statutory liabilities such as duties, taxes under Clause 5.7 above, shall not affect any transaction or proceedings already concluded by the Transferor Company on or before the Appointed Date or concluded after the Appointed Date till the sanction of the Scheme, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereof, as if done and executed on its behalf.

5.9 Resolutions, limits and borrowing powers -

5.9.1 The resolutions, if any, of the Transferor Company, which are valid and subsisting including the approvals that may have been obtained by the Transferor Company from the shareholders under the provisions of Section 180, 185, 186 and 188 of the Act, be considered as resolutions of the Transferee Company and if any such resolutions have upper monetary limits being imposed under the provisions of the Act, or any other applicable provisions, then the said limits shall be added and shall constitute the aggregate of the said limits in the Transferee Company.

6. CONSIDERATION

6.1 The Transferor Company is the wholly owned subsidiary of the Transferee Company and hence the entire share capital of the company is held by the said Transferee company. Upon the Scheme becoming finally effective, the entire share capital of the Transferor company shall get automatically cancelled/ extinguished. The Transferee Company shall not be required to issue and allot any shares as the Transferee Company and its nominee are themselves the only shareholders of the Transferor Company.



6.2 Upon the Scheme being effective, the investments in the shares of the Transferor Company appearing in the books of account of the Transferee Company shall, without any further act, deed or instrument, stand cancelled.

7. ACCOUNTING TREATMENT

7.1 Accounting treatment in the books of Transferee Company Relating to Amalgamation

Upon the Scheme being effective and with effect from the Appointed Date, the Transferee Company shall account for the amalgamation of the Transferor Company into and with the Transferee Company in its books of accounts in as per Pooling of Interest method in compliance with the Appendix C of Indian Accounting Standard 103 on Business Combinations and other Indian Accounting Standards, as applicable, and as notified under Section 133 of the Act read with the rules issued thereunder and other generally accepted accounting principles in India in the following manner :

7.1.1 All the assets, liabilities and reserves (if any) of the Transferor Company transferred to and vested in the Transferee Company pursuant to this Scheme shall be recorded in the books of accounts of the Transferee Company at the carrying value of assets, liabilities and reserves pertaining to the Transferor Company as appearing in the financial statements of the Transferor Company as at the appointed date.

7.1.2 The difference between the aggregate value of net assets transferred including reserves of the Transferor Company upon their transfer to and vesting in the Transferee Company under the Scheme and the amount of investment held by the Transferee Company as appearing in the books of the Transferee Company, as on the Appointed Date shall be credited to 'Capital Reserves Account' or debited to 'General Reseve', as the case may be.

7.1.3 Upon coming into effect of this Scheme, to the extent that there are inter-company loans, advances, deposits balances or other obligations amongst the Transferor Company and the Transferee Company, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of any assets or liabilities as the case may be.



7.1.4 In case there is any difference in the accounting policies adopted by the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company will prevail and the difference will be quantified and adjusted in the Reserves to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

7.1.5 In addition, the Transferee Company shall pass such accounting entries, as may be necessary, in connection with this Scheme, to comply with any of the applicable accounting standards and generally accepted accounting principles adopted in India.

7.2 Accounting Treatment In the books of the Transferor Company :

7.2.1 There will be no accounting treatment in the books of the Transferor Company as it shall cease to exist pursuant to application of the Scheme.

7.2.2 All costs, charges, stamp duty incurred in connection with giving effect to this Scheme shall be debited by the Transferee Company to its statement of Profit and Loss.

8. REORGANISATION OF AUTHORISED SHARE CAPITAL OF TRANSFEE COMPANY

8.1 Upon the Scheme becoming effective, the Authorized Share Capital of Transferee Company, in terms of its Memorandum of Association and Articles of Association, shall automatically stand enhanced, by the authorized share capital of the Transferor Company, and the Memorandum of Association and Articles of Association of Transferee Company, (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and consent of all the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment and for this purpose the stamp duty and fee paid if any, paid by the Transferor Company on its authorized share capital shall be set-off against any fees payable by the Transferee Company (if any) on the increase in its authorized share capital subsequent to the Amalgamation under the Act.

8.2 Pursuant to this Scheme, Transferee Company shall file the requisite documents/ information (if any required) with the Registrar of Companies or any other Applicable Authority for such increase of the authorized share capital.



8.4 It is hereby clarified that upon the Scheme coming into effect, the provisions of Sections 13, 14, 61, 64 and other applicable provisions, if any, of the Act in relation to increase in the Authorised Share Capital of the Transferee Company shall be considered to be complied with and it shall not be required to do any further act, deeds or things, unless specifically required under the Act.

9. **CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE**

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

- 9.1 The Transferor Company shall be deemed to have been carrying on and shall carry on the business with reasonable diligence and business prudence. All such activities shall include without limitation, the ability to undertake actions in relation to their business and fulfill all past, existing and/ or future commitments with respect to the businesses, including the sale/ disposal of any or all their assets and / or further investments of proceeds thereof.
- 9.2 The Transferor Company shall carry on and be deemed to have carried on all business and activities and shall stand possessed of all the assets, rights, title and interest of the Transferor Company for and on account of, and in trust for Transferee Company.
- 9.3 All profits/loss and cash accruing to or losses arising or incurred (including the effect of taxes, if any, thereon), by the Transferor Company, shall for all purposes, be treated as the profits or cash or losses of Transferee Company. All accretions and depletions to the Transferor Company shall be for and on account of Transferee Company.
- 9.4 Any of the rights, powers, authorities, privileges attached, related or pertaining to or exercised by the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of, and in trust for and as an agent of Transferee Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Transferor Company that have been undertaken or discharged by the Transferor Company, shall be deemed to have been undertaken for and on behalf of and as an agent for Transferee Company.



9.5 The Transferee Company shall enter into and/ or issue and/ or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required. Further, the Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.

10. **Winding Up**

From the Effective Date, the Transferor Company shall stand dissolved without being wound up in accordance with the provisions of Section 230-232 and other applicable provisions of the Act.

The name of Transferor Company shall be struck off from the records of the Registrar of Companies, Kolkata, and the Transferee Company shall make necessary filings in this regard.

PART - III **GENERAL TERMS AND CONDITIONS**

11. **APPLICATION TO THE NCLT**

The Transferor Company and Transferee Company, shall, with all reasonable dispatch, make application or petition under Sections 230-232 and other applicable provisions of the Act to the NCLT of Kolkata or any other Appropriate Authority, for sanction of this Scheme and for dissolution of the Transferor Company, without winding-up under the provisions of law.

12. **MODIFICATIONS OR AMENDMENTS TO THE SCHEME**

Subject to approval of the NCLT the Transferor Company and the Transferee Company, acting through their respective Board of Directors may assent to any modifications/amendments to the Scheme or to any conditions or limitations that the Court and / or any other Appropriate Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board of Directors). Transferor Company and Transferee Company, by their respective Board of Directors, be and are hereby authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions of law or otherwise, whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and / or any matter concerned or connected therewith.



13. CONDITIONALITY OF THE SCHEME

This Scheme, although to come into operation from the Appointed Date shall not be effective and shall be conditional upon and subject to:

- 13.1 The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and / or creditors of Transferor Company and Transferee Company as prescribed under the Act and as may be directed by the NCLT or any other Appropriate Authority as may be applicable.
- 13.2 The sanction of this Scheme by the NCLT or any other Appropriate Authority under Sections 230 to 232 and other applicable provisions, if any of the Act.
- 13.3 Certified or authenticated copy of the Order of the NCLT sanctioning the Scheme being filed with the Registrar of Companies.
- 13.4 The requisite, consent, approval or permission of the Central Government or any other statutory or regulatory authority, if any, which by law may be necessary for the implementation of this Scheme.
- 13.5 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority, if required, under any law for such consents and approvals which the Transferee Company may require to own the Undertaking and to carry on the business of the Transferor Company.

14. EFFECT OF NON-RECEIPT OF APPROVALS

- 14.1 In the event of any of the said sanctions and approvals referred to in Clause 13 not being obtained and / or the Scheme not being sanctioned by the NCLT or such other Appropriate Authority, if any, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and / or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law and agreed between the respective parties to this Scheme. Each party shall bear and pay its respective costs, charges and expenses for and or in connection with the Scheme unless otherwise mutually agreed.
- 14.2 It is further provided in a case if the Board of Directors of any of the companies as being part of this Scheme, at any stage prior to the Scheme coming into effect, decide not to proceed further with the Scheme and withdraw the consent of the respective company to the Scheme, in such a case, the Scheme in its entirety shall not be proceeded with by any party and this Scheme shall stand revoked, cancelled and be of no effect.



15. COSTS, CHARGES AND EXPENSES

15.1 All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of Transferor Company and Transferee Company arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne by Transferee Company and would be debited to statement of Profit and Loss.

16. FILING AMENDMENT OF RETURNS

16.1 Transferee Company is expressly permitted to file/ revise their respective income-tax, service tax, TDS return/ GST return/ sales tax/ value added tax, excise and other statutory returns, consequent to the Scheme becoming effective, notwithstanding that the period for filing/ revising such returns may have lapsed. The Company is expressly permitted to amend tax deduction at source certificate and other statutory certificates, and shall have the right to claim refunds, advance tax credits, TDS credits, set offs and adjustments, GST credits relating to its incomes/ transactions from the Appointed Date.

17. SEVERABILITY

17.1 If any part of this Scheme is found invalid, unworkable for any reason whatsoever, ruled illegal by any court of competent jurisdiction or unenforceable under present future laws the same shall not, subject to the decision of Board of Directors, affect the validity or implementation of the other parts and/or provisions of this Scheme.

**Certified True Copy
For The Phosphate Co. Ltd.**



**Suresh Kumar Bangur
Executive Director
DIN:00040862**

