



JINDAL POLY FILMS LTD.

Plot No-87, Sector-32,
Institutional Area, Gurugram
Haryana -122001 (India)
Phone : +91-0124-6925100
Web : www.jindalgroup.com

JPFL/DE-PT/SE/2023 -24

Date: November 20, 2023

The Manager, Listing
National Stock Exchange of India Ltd.
Exchange Plaza,
Bandra-Kurla Complex
Bandra (E) MUMBAI - 400 051
Symbol: NSE: JINDALPOLY

The Manager Listing
BSE Limited.
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
MUMBAI – 400 001
Scrip Code: BSE: 500227

Sub: Note on Compulsory Convertible Preference Shares (CCPS) issued by JPFL Films Pvt. Ltd., a Material Subsidiary of our Company

Dear Sir/Madam,

There have been frequent queries from various stakeholders with respect to the Compulsory Convertible Preference Shares (CCPS) issued by JPFL Films Pvt. Ltd., our material subsidiary and their accounting treatment in our consolidated financial statements.

Accordingly, we have enclosed a detailed note on the basis of the representation received from JPFL Films Pvt. Ltd.

This is for your information and records please.

Thanking you,
Yours Sincerely,

FOR JINDAL POLY FILMS LIMITED

VAISHALI
SINGH

Digitally signed by VAISHALI SINGH
DN: cn=VAISHALI SINGH,
2.5.4.20=276c34f180ca896379a7ba61e4902ab0d9c5
05f2c1578e03184264041a, postalCode=121002,
street=Sector 35, Amnagar, Faridabad,
serialNumber=143071446490405095092b29d587c,
serialNumber=582279a7f18520115273797846426
403f589c702a729a4323457853c, o=Functional,
ou=VAISHALI SINGH
Date: 2023.11.20 12:26:46 +05'30'

Vaishali Singh
Company Secretary
ACS: 15108
Encl.: A/a



Jindal Poly Films Limited

Investor Note



Note on CCPS issued by JPFL Films Private Limited

On 2nd Aug 2022, JPFL Films, a subsidiary of Jindal Poly Films Limited, issued CCPS, to an SPV named Project Holdings Fourteen (DIFC) Limited of Brookfield Asset Management, against an investment of ₹1,999 crores (Rupees One Thousand Nine Hundred and Ninety-Nine crores)*.

What are Compulsory Convertible Preference Shares (CCPS)?

- ❖ CCPS are issued by the company to raise capital.
- ❖ Even though, CCPS are quasi-equity, they are classified as financial liability in the financials till conversion, as per Ind AS.
- ❖ These shares must be compulsorily converted into Equity Shares at a pre-defined time and agreed formula.
- ❖ **CCPS DO NOT amount to Debt and hence, carry NO interest liability, in any form.**
- ❖ **CCPS WILL NOT be repaid, as these will be converted into Equity Capital.**

Accounting Treatment of CCPS in the Financial Statements as per Ind AS

- ❖ Since the conversion ratio from CCPS to Equity share is subject to the determination at the time of conversion, it is classified as a financial liability, as per Ind AS 109 however the same should be treated as QUASI equity.
- ❖ Further, such financial liability is required to be carried in financial statements at fair value through profit or loss (FVTPL). However, any gain/loss recorded in the financials gets reversed in subsequent financial years and it will be zero-sum on the conversion date.

* In addition, the said SPV also purchased equity shares of JPFL Films, worth ₹1 crore (Rupees One crore)