



# JINDAL POLY FILMS LTD.

Plot No. 12, Sector B-1,  
Local Shopping Complex,  
Vasant Kunj,  
New Delhi - 110070 (INDIA)  
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Fax : (91-11) 40322129  
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JPFL/DE-PT/SE/2019-20

December 10, 2019

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

(Scrip Code: NSE: JINDALPOLY)

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

(Scrip Code: BSE: 500227)

**Subject: The Scheme of Arrangement of Jindal Poly Films Limited and Jindal Photo Imaging Limited and their respective Shareholders and Creditors.**

We wish to inform you that Hon'ble National Company Law Tribunal, Bench at Allahabad in its hearing held on 9th December, 2019 has sanctioned the Scheme of Arrangement of Jindal Poly Films Limited and Jindal Photo Imaging Limited and their respective Shareholders and Creditors.

Copy of Formal Order is awaited and will be submitted you as soon as the same is received by the Company.

However, we have enclosed herewith the Copy of Order as available on website of National Company Law Tribunal.

Please take on record the above for intimation to all concerned.

Thanking you,

For Jindal Poly Films Limited

Sanjeev Kumar  
Company Secretary  
ACS: 18087.

Encl. All



**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL**

**BENCH AT ALLAHABAD**

**IN**

**COMPANY PETITION NO. 274/ALD/2019**

**CONNECTED WITH**

**COMPANY APPLICATION NO. 97/ALD/2019**

[Under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013]

In the matter of the Companies Act, 2013

And

In the matter of Sections 230-232 and other applicable provisions of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016

And

In the matter of

**JINDAL POLY FILMS LIMITED (JPFL)**

A Listed Public Company incorporated under the Companies Act, 1956 having its Registered Office at 19<sup>th</sup> K.M. Hapur- Bulandshahr Road, P.O. Gulaothi, Distt. Bulandshahr, Uttar Pradesh-245408having Corporate Identification Number L17111UP1974PLC003979.

**...Petitioner Transferor Company/ Demerged Company/ Petitioner Company-I**

AND

**JINDAL PHOTO IMAGING LIMITED (JPIL)**

A Public Company incorporated under the Companies Act, 1956 having its Registered Office at 19<sup>th</sup> K.M. Hapur- Bulandshahr Road, P.O. Gulaothi, Distt. Bulandshahr, Uttar Pradesh-245408having Corporate Identification Number U22222UP2011PLC103611.

**Petitioner Transferee Company/ Resulting Company/ Petitioner Company-II**

AND

their respective Shareholders and Creditors  
("Scheme of Arrangement")

**ORDER DELIVERED ON:09.12.2019**

**CORAM: Justice (Retd.) Rajesh Dayal Khare, Hon'ble Member (Judicial)**

**Counsel for the Petitioners: Shri S.K. Gupta and Shri Ankit Kumar Singh,  
Practicing Company Secretaries**

**Per se: Justice (Retd.) Rajesh Dayal Khare, Hon'ble Member (Judicial)**

**ORDER**

1. The Company Petition filed by the Petitioner Companies under Sections 230 & 232 of the Companies Act, 2013 read with rules framed there under as in force from time to time for approval to the scheme of arrangement for demerger of

photo films business ("Demerged Undertaking") belonging to the Petitioner Transferor Company with and into the Petitioner Transferee Company.

2. It is stated that the Scheme of Arrangement (the Scheme) has been approved by the Board of Directors of the 'Petitioner Transferor Company/ Demerged Company/ Petitioner Company-I' and the Petitioner Transferee Company/ Resulting Company/Petitioner Company-II' in their respective Board Meetings duly convened and held on 12<sup>th</sup> November, 2018.
3. The Factual Position of the Authorized, Issued, Subscribed and Paidup share capital of the Petitioner Transferor Company/ Demerged Company/Petitioner Company-I as on 31<sup>st</sup> March, 2019 as described well in this Company Petition is as follows:

Particulars	Amount (in Rs.)
<b>Authorized Share Capital:</b>	
23,20,00,000 equity shares of Rs. 10/- each	2,32,00,00,000
3,00,00,000 cumulative redeemable preference shares of Rs. 10/- each	30,00,00,000
<b>Total</b>	<b>2,62,00,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital Fully Paid up:</b>	
4,37,86,413 equity shares of Rs. 10/- each fully paid up	43,78,64,130
<b>Total</b>	<b>43,78,64,130</b>

4. The Factual Position of the Authorized, Issued, Subscribed and Paidup share capital of the Petitioner Transferee Company/ Resulting Company/Petitioner Company-II as on 31<sup>st</sup> March, 2019 as described well in this Company Petition is as follows:

Particulars	Amount (in Rs.)
<b>Authorised Share Capital</b>	
20,00,000 Equity Shares of Rs. 10/- each.	2,00,00,000
<b>Total</b>	<b>2,00,00,000</b>
<b>Issued, Subscribed and Fully Paid-up Share Capital</b>	
50,000 Equity Shares of Rs. 10/- each fully paid-up Capital	5,00,000
<b>Total</b>	<b>5,00,000</b>

- Sd -

## 5. The Rationale of the Scheme is stated as under:

- (a) *The Demerged Company has three business segments namely, Packaging Films Business, Photo Films Business and Nonwoven Fabric Business. The Resulting Company, a wholly owned subsidiary of the Demerged Company, was also incorporated to carry on the business which is similar to the Photo Films Business of the Demerged Company. In order to manage both the business segments of the Demerged Company efficiently and effectively, the management of the Demerged Company has considered it necessary to demerge the Photo Films Business of the Demerged Company, as a going-concern, into the Resulting Company.*
- (b) *The Demerger of Photo Films Business or the Demerged Undertaking of the Demerged Company into the Resulting Company will enable both the companies to focus on their respective businesses, efficient management and control and to exploit business opportunities more efficiently and effectively.*
- (c) *The proposed Scheme is in line with the current global industry practice to achieve size, scalability, integration, greater financial strength and flexibility thereby maximizing shareholder value and to achieve higher long-terms financial returns.*
- (d) *Pursuant to the demerger of the Photo Films Business of the Demerged Company into the Resulting Company, the shareholding of the Demerged Company in the Resulting Company will be cancelled. The Resulting Company will issue and allot its shares to the shareholders of the Demerged Company in the following proportion in which they hold shares in the Demerged Company, i.e., mirror image of the shareholding structure will be created in both the companies subject to consolidation of fractions arising in terms of clause 13 of the Scheme. Thus, the rights and interests of the shareholders of the Demerged Company are safeguard.*

6. It is reported that a share exchange ratio report for the proposed demerger of the Demerged Undertaking belongings to the Demerged Company with and into the Resulting Company along with addendum dated 28<sup>th</sup> December, 2018 has been obtained and it state as under:

*"For every 4 (four) equity shares of face value of Rs. 10/- each held in the Demerged Company, as on the Record Date, every equity shareholder of the Demerged Company shall without any application, act or deed, be entitled to receive 1 (one) equity share of face value of Rs. 10/- each of the Resulting Company, credited as fully paid-up. The allotment of equity shares of the Resulting Company shall be in the same ratio as aforesaid to all the shareholders of the Demerged Company, subject to fractional entitlements which shall be dealt with as per the procedure provided for in the Scheme. Accordingly, the Resulting Company shall issue and allot to the shareholders of the Demerged Company 10946604 fully paid up equity shares of Rs 10/- each on the Scheme becoming effective."*

- Sd -

7. A perusal of the present petition discloses that initially the Petitioner Companies filed a Company Application No. 97/ALD/2019 being the first motion application seeking the directions for convening the meetings of equity shareholders, secured creditors, unsecured creditors of the Petitioner Company-I. The said first motion application also prayed directions for dispensing the meeting of equity shareholders, secured creditors and unsecured creditors of the Petitioner Company-II. This Tribunal vide its order dated April 30, 2019, directed the convening of the meetings of equity shareholders, secured creditors and unsecured creditors of the Petitioner Company-I on June 21, 2019 at Hotel Natraj, Kala Aam Road, Bulanshahr, Uttar Pradesh-203001, India.
8. Further, this Tribunal issued a direction to the Petitioner Companies to issue a notice to the (a) Central Government through the Regional Director (Northern Region), Ministry of Corporate Affairs at New Delhi; (b) Registrar of Companies, Uttar Pradesh at Kanpur; (c) the Income Tax Authorities; (d) Reserve Bank of India; (e) BSE Limited and to make a paper advertisement in English and Hindi newspapers.
9. In compliance thereof, notice of the above mentioned meetings were issued by the Petitioner Company-I to its equity shareholders, secured creditors and unsecured creditors of the Petitioner Company-I. Notices of the meetings were also published in the newspapers as directed by this Hon'ble Tribunal. Further, in terms of order dated April 30, 2019, the Petitioner Companies had served the notice of meetings to the statutory authorities, in compliance of section 230 (5) of the Companies Act, 2013. An affidavit of service detailing the service and publication of notices was filed by the Chairperson appointed for the meetings on June 14, 2019.
10. It is further stated in the Petition that none of the Directors of the Petitioner Companies have any material interest in the Scheme, except in the capacity of Directors and Shareholders. Further, the Scheme is not intended in any manner to have any beneficial effect on the material interest, if any, of the Directors of the Petitioner Companies.
11. It is further stated in the Petition that the assets of the Petitioner Companies are sufficient to meet all its liabilities and the Scheme will not adversely affect the rights of any of the Creditors of the Petitioner Companies in any manner whatsoever. The Scheme also does not envisage any compromise with the creditors. The Petitioner Companies have made due provisions for payment of all liabilities as and when the same will fall due in the usual course.

- Sd -

12. It is also stated that the Auditors of the Petitioner Companies have not disclosed any mismanagement of the affairs.
13. That the Petitioner Company-I/ Demerged Company as well as the Petitioner Company-II/Resulting Company have duly complied with the accounting standards. Certificates from the respective auditors of the Petitioner Companies regarding the compliance of accounting treatment under the Scheme was duly submitted along with the Petition and marked as Annexure- 15\_\_ and 16\_\_, respectively to the Petition..
14. In response to such notices issued, the Registrar of Companies has filed its report dated September 27, 2019 declaring that the Demerged Company through the present scheme of arrangement intends to de-merge its 'Photo Films Business' to the Resulting Company, being the wholly owned subsidiary of the Demerged Company and further, the Demerged Company is a listed company.
15. The Regional Director (Northern Region), Ministry of Corporate Affairs at New Delhi having received a report from the Registrar of Companies (Kanpur) filed his representation Affidavit wherein he stated that the Resulting Company shall increase its authorized share capital by an amount of Rs. 10 crores post sanction of the Scheme on payment of the prescribed fees.
16. In response to such notices issued, the Reserve Bank of India has filed its report dated July 30, 2019 states that the companies undergoing compromise/ arrangement/ amalgamation to comply with the requirements of various laws including the rules, regulations and guidelines prescribed by RBI, viz, the companies may have to comply with Foreign Exchange Management Act, 1999 and rules and regulations made thereunder.
17. The Income Tax Departments have not filed any representation within 30 days of service of the notice of the Petition. Hence, pursuant to section 230(5) of the Companies Act, 2013 read with Rule 8(3) of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, it is presumed that the Income Tax Departments have no objection on the Scheme involving demerger of Demerged Undertaking of the Petitioner Company-I into the Petitioner Company-II.
18. We have gone through the above stated averments made in the Company Petition and perused the documents annexed therewith. We perused affidavits of the Regional Director as well as Report of Registrar of Companies and

- Sd -

Reserve Bank of India and there appears to be no reservation to grant sanction to the Scheme for demerger of Demerged Undertaking of the Petitioner Company-I into the Petitioner Company-II.

19. However, it is clarified that there shall be no limitation on the powers of the income tax authorities for recovery of pending income tax dues, subject to rights and contentions available to the Petitioner Companies under the applicable provisions of law, and that any order of this Tribunal is not considered as concluding or putting seal over such proceedings by the income tax authorities or court of law.

Notwithstanding the above, if there is any deficiency found or, violation committed qua any enactment, statutory rule or regulation, the sanction granted by this Tribunal to the Scheme will not come in the way of action being taken, albeit, in accordance with law, against the concerned persons, directors and officials of the Petitioners.

20. In the result, the Scheme annexed to the Company Petition is duly approved and hereby sanctioned. The Petitioner Companies to act upon as per the terms and conditions of the sanctioned Scheme and same to be binding on the shareholders, creditors of the Petitioner Companies and also on the Petitioner Companies with effect from the Appointed Date, i.e., April 1, 2019.

21. While approving the Scheme as above, we further clarify that this order should not be construed as an order in any way granting exemption from payment of stamp duty, taxes, GST or other charges, if any, and payment in accordance with law or in respect to any permission/ compliance with any other requirement which may be specifically required under any law.

**22. THIS TRIBUNAL DO FURTHER ORDER:**

That in terms of the scheme of arrangement:

- a) That all the property, rights, titles and interests of the Demerged Undertaking of the Demerged Company be transferred without further act or deed, matter or deed or thing, to the Resulting Company and accordingly, pursuant to section 232 of Companies Act, 2013, be transferred to and vested in the Resulting Company for all the estates and interests of the Demerger Company pertaining to the Demerged Undertaking;
- b) That all the liabilities and duties of the Demerged Company pertaining to the Demerged Undertaking be transferred without further act or deed to the Resulting Company and accordingly the same shall pursuant to section 232 of the Companies Act, 2013, be transferred to and become the liabilities and duties of the Resulting Company;

- Sd -

- c) The Resulting Company shall apply for listing of its equity shares upon receipt of the order of Tribunal as per provisions of applicable rules, regulations and SEBI Circulars;
- d) That all proceedings now pending by or against the Demerged Company pertaining to its Demerged Undertaking be continued by or against the Resulting Company;
23. That Petitioner Companies shall within thirty days of the date of the receipt of this order cause a certified copy of this order to be delivered to the Registrar of Companies for registration; and
24. All concerned regulatory authorities to act on a copy of this order annexed with the scheme duly authenticated by the Assistant Registrar, National Company Law Tribunal, Allahabad Bench.
25. That any person interested shall be at liberty to apply to the Tribunal in the above matter for any directions that may be necessary.
26. Accordingly, the Petitioner Company Petition bearing CP NO. 274/ALD of 2019 is allowed and stands disposed of in the above terms.

Date: 09.12.2019

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**JUSTICE RAJESH DAYAL KHARE**  
**MEMBER (JUDICIAL)**