



JINDAL POLY FILMS LTD.

Plot No-12, B1, Local Shopping
Complex, Vasant Kunj,
New Delhi -110070 (India)
Phone :011-26139256(10 Lines)
Fax : (91-11) 26125739
Web : www.jindalgroup.com

Date: 07st August, 2023

JPFL/DE-PT/SE/2023-2024

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

Dear Sir/Madam

Sub: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015-Approval of Scheme of Amalgamation of SMI Coated Products Private Limited (Transferor Company & a Step-down Subsidiary of Jindal Poly Films Limited) into Jindal Polypack Limited (Transferee Company & a Wholly Owned Subsidiary of Jindal Poly Films Limited) by Hon'ble Company Law Tribunal, Mumbai.

This is in furtherance to our intimation filed earlier on 21st December, 2022 relating to subject amalgamation of SMI Coated Products Private Limited (Transferor Company & a Step-down Subsidiary of Jindal Poly Films Limited) into Jindal Polypack Limited (Transferee Company & a Wholly Owned Subsidiary of Jindal Poly Films Limited).

In this regard, we are pleased to inform you that Hon'ble NCLT, Mumbai vide its order dtd. 4th August, 2023 has approved the Scheme of Amalgamation of SMI Coated Products Private Limited into Jindal Polypack Limited. The said order has been uploaded on the website of NCLT at www.nclt.gov.in on 07th August, 2023.

A copy of the same is attached herewith for your ready reference as **Annexure A**.

Please take the above said information on your record.

Thanking You,
Yours Truly,

For Jindal Poly Films Limited

Vaishali Singh
Company Secretary
ACS: 15108

Regd. Office : 19th K. M. Hapur Bulandshahr Road, P O Gulaothi, Distt Bulendshahr (U. P.)
CIN: 17111UP1974PLC003979



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Connected with

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In the matter of

Companies Act, 2013

AND

In the matter of

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

In the matter of

Scheme of Amalgamation of S M I
COATED PRODUCTS PRIVATE
LIMITED, the Transferor Company with
JINDAL POLYPACK LIMITED, the
Transferee Company

S M I COATED PRODUCTS)
PRIVATE LIMITED, a company)
incorporated under the Companies)
Act, 1956 having its registered office)
at 4B5 Gundecha Onclave, B Wing,)
4thFloor,Kherani Road B/H Old Post)
Office, Sakinaka, Mumbai,)
Maharashtra-400072, IN.) ...Petitioner Company
[CIN: U74999MH2003PTC139869] No.1



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ORDER

Per:- Shyam Babu Gautam, Member (Technical)

1. The Bench is conveyed by Physical hearing today.
2. Heard the Learned Counsel for the Petitioner Companies. No objector has come before this Tribunal to oppose the Scheme and nor has any party controverted any averments made in the Petitions to the said Scheme.
3. The sanction of the Tribunal is sought under Sections 230 to 232 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013 and the rules framed there under for the Scheme of Amalgamation of S M I COATED PRODUCTS PRIVATE LIMITED, the Transferor Company with JINDAL POLYPACK LIMITED, the Transferee Company.
4. The Petitioner Companies have approved the said Scheme of Amalgamation by passing the Board Resolutions dated 21st



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December, 2022 which are annexed to the respective Company Scheme Petitions.

5. The Learned Advocate appearing on behalf of the Petitioners states that the Petitions have been filed in consonance with the Order passed in the Company Scheme Application No. 06 of 2023 of the Hon'ble Tribunal.

6. The Learned Advocate appearing on behalf of the Petitioners further states that the Petitioner Companies have complied with all requirements as per directions of the National Company Law Tribunal, Mumbai Bench and they have filed necessary affidavits of compliance in the National Company Law Tribunal, Mumbai Bench.

7. The Learned Counsel for the Petitioner Companies states that the Petitioner Company No. 1 is presently carrying on business of manufacturing and selling of gummed paper & film, self-adhesive



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sheets & rolls in India and all other related products and that the Petitioner Company No. 2 is presently carrying on the business of manufacturing, importing, exporting and dealing in all kinds of polymer films, BOPP films and other polymer and plastic films and paper.

8. The rationale for the Scheme of Amalgamation of the Petitioner Companies is in the interest of the stakeholders of these companies and shall result in the following benefits:

“The Transferee Company was incorporated to carry on the business of as manufacturers, importers, exporters of and dealers in polymers, monomers, elastomers, flexible packaging films, specialty films, BOPP films and resins of all types, grades and copolymer formulations and in all forms such as resins/chips, powder, flakes, granules, films sheets, tubes, pipes, fibers, laminates or as processed goods and including specifically polyethylene, polypropylene, polymethyl, polystyrene, polyvinyl-acetate, methacrylate, epoxy



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resins, alkyd resins melamine, polyesters such as terephthalate and isophthalate, or any other or new substances being improvements upon, modifications of or being derived from additions to petrochemicals or other products or resulting from any process; to acquire or invest in companies/entities who are carrying out any of the aforesaid activities or in similar business or supplement the business of the Transferee Company

Transferor Company is engaged in the manufacturing and selling of gummed paper & film, self-adhesive sheets & rolls in India and all other related products, which complements the nature of the business for which the Transferee Company was incorporated. Transferee Company, in May, 2022, had acquired shares of the Transferor Company.

Now in order to expand the product portfolio and leverage the resources of both the Transferor and Transferee Company and to optimize the group structure, the management of the aforesaid



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companies have decided to amalgamate the Transferor Company with and into the Transferee Company.

- a) The Amalgamation of the Transferor Company with the Transferee Company would lead to availing of the synergy benefits, eliminate multiple administrative functions and reduction of legal, administrative & compliance costs, thereby increasing the shareholders' value.
- b) The proposed amalgamation would result in optimizing and leveraging existing resources of both the Companies for the most beneficial utilization of these factors in the combined/single entity. It would be advantageous to combine the activities and operations of both the Companies in a single entity and building strong capability to effectively meet future challenges in competitive business environment. The amalgamation will thus eliminate a multi-layer structure and reduce managerial overlaps, which are necessarily



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involved in running two separate entities and also prevent cost duplication that can erode financial efficiencies of a holding structure and the resultant operation would be substantially cost-efficient. This scheme would result in simplified corporate structure of the Transferee Company and its businesses, thereby leading to more efficient utilization of capital and creation of a consolidated base for future growth.

- c) Greater efficiency in cash management of the Transferee Company and better access to cash flow generated by the combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities. The proposed amalgamation would enhance the shareholders' value of the Companies.



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- d) The scheme envisages transfer of the entire undertaking of Transferor Company as a going concern to the Transferee Company and is in the Interest of its shareholders, creditors, employees and all concerned.
 - e) Upon amalgamation, the combined entity will have a larger capital base which will ultimately help the company to boost its ability to raise finances.
 - f) The proposed arrangement will provide greater integration and flexibility to the Transferee Company and strengthen its position in the industry, in terms of the assets base, revenues, product and service range.
9. The Regional Director has filed his Report dated 18th May, 2023 inter-alia making the following observations in paragraphs 2 (a) to (f) which are reproduced hereunder:



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Para	Observation by the Regional Director	Undertaking of the Petitioner Company/Rejoinder
2(a)	That on examination of the report of the Registrar of Companies, Mumbai dated 15.05.2023 (Annexed as Annexure A-2)) that all the Petitioner Companies fall within the jurisdiction of ROC, Mumbai. It is submitted that no representation regarding the proposed scheme of Amalgamation has been received against the	In respect of the aforesaid query, it is hereby submitted that, it is fact of the case.



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<p>Petitioner Companies.</p> <p>Further, the petitioner companies have filed Financial Statements up to 31.03.2022.</p> <p>The ROC has further submitted that in his report dated 15.05.2023 which are as under:-</p> <p>i. That the ROC Mumbai in his report dated 15.05.2023 has also stated that No Inquiry, Inspection, Investigation, Prosecution, Technical</p>	<p>That the Aforesaid observation is factual information.</p>
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	<p>Scrutiny and complaints under CA, 2013 have been pending against the Petitioner Companies.</p> <p>ii. Further ROC has mentioned as Follows:-</p> <p>i. As per E-form GNL-1 filed at the MCA Portal, the applicant company has not attached order of Hon'ble NCLT order.</p>	<p>In respect of the aforesaid query, it is hereby submitted that in compliance of the order dated January 21, 2023, the Petitioner Company had served the copy of the Company Application by filing e-form GNL-1 on the following dates:</p> <table border="1" data-bbox="842 1675 1302 1877"><tr><td>Petitioner</td><td>Date</td><td>SRN</td></tr><tr><td>Companie</td><td>of</td><td>chall</td></tr></table>	Petitioner	Date	SRN	Companie	of	chall
Petitioner	Date	SRN						
Companie	of	chall						



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		s	filing	an
			of	
			Form	
			GNL-	
			1	
		Petitioner	Febru	F586
		Company	ary	5422
		No.1	10,	9
			2023	
		Petitioner	Febru	F586
		Company	ary	8171
		No.2	11,	9
			2023	
		The Relevant e-forms along-		
		with relevant challans were		
		annexed with the rejoinder.		



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	<p>ii. Transferee Company has not filed Form MGT-14 being a Public Limited Company.</p>	<p>Further, the legal counsel of the Petitioner Companies had also served the copy of the Company Application along with the aforesaid order upon the Registrar of Companies, Mumbai through hand delivery. The receiving of the said service was attached with the rejoinder.</p> <p>In respect of the aforesaid query, it is hereby submitted that the Board of Directors of the Transferee Company on 21st, December, 2022, had</p>
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	<p>iii. As per para 21 of the scheme, the name of Transferee Company shall stand changed to</p>	<p>approved the scheme. Further, the Transferee Company, on 19th, May, 2023, had filed the said resolution in e-from- MGT-14 vide challan no. AA2525860.</p> <p>The Relevant e-forms along-with relevant challans were attached with the rejoinder filed by the Petitioner Companies.</p> <p>In respect of the aforesaid query, it is hereby submitted that as per clause 21.1 of the Scheme, upon the</p>
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	<p>“Jindal SMI Coated Products Limited”</p>	<p>effectiveness of the Scheme, the name of the Transferee Company shall stand to change to “<i>Jindal SMI Coated Products Limited</i>”.</p> <p>Further, clause 21.2 of the scheme states that the approval of the shareholders to the scheme shall also be deemed to be the approval for the said alteration of the name. However, the Transferee Company hereby undertakes to comply with all the procedural requirements of the Act</p>
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	<p>iv. As per para 22 of the scheme, the business of the Transferor Company upon scheme becoming effective, the object clause of MOA of the Transferee Company shall be deemed to be altered an amended.</p>	<p>related to the alteration of the name like name reservation, filing of relevant e-forms, etc.</p> <p>In respect to the aforesaid query, it is hereby submitted that the rationale of the Scheme as provided in clause 2 of the Scheme states that the Transferee Company was incorporated to carry on the business as the Transferor Company is currently carrying, further, the proposed amalgamation</p>
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		<p>would enable the Transferee Company to expand its product portfolio.</p> <p>Further, Clause 22 of the Scheme is just an enabling clause for the Transferee Company, which provides that a 4th object shall be added in the Clause IIIA of the memorandum of association of the Transferee Company, which is also in the object clause of the memorandum of association of the Transferor Company,</p>
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	<p>v. The applicant companies have attached Financial Statement for F.Y. 31.03.2022 with the</p>	<p>so that all purposes as provided in the memorandum of association of the Transferor Company would become the object of the Transferee Company. No further resolution and/or approval for the same shall be required to be passed for such alteration.</p> <p>In this regard, attention is drawn to the judgement of Bombay High Court in Re. Pmp Auto Industries Ltd and Ors.</p>
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	<p>scheme, and the Transferor Company is having other current liabilities of Rs. 237.6/- consisting of TDS payable Rs.40.63/-, Advance form customer Rs.62.82/- Sale Tax and GST payable Rs.77.63/-. Also the amount ought to be Rs. in Lakhs in the notes, asper</p>	<p>{[1994]80CompCas289(Bo m)}, wherein the Bombay High Court held that the scheme is a complete code and the companies do not require any other specific resolution under sections 17 and 19 of the Companies Act, 1956 (now section 13 of Companies Act, 2013) for altering the object clause of in consequent to the approval of the scheme of amalgamation The Petitioner Company submits that it Is a factual</p>
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	<p>the Balance Sheet presentation.</p> <p>However, the notes attached to the Financial Statement do not represent same.</p> <p>vi. As per MCA Portal record, the Transferor Company is having 7 open charges.</p>	<p>position and no explanation is required.</p> <p>In respect of the aforesaid query, it is hereby submitted that pursuant to clause 8 of the Scheme, w.e.f. the appointed date all liabilities of the transferor company shall become the liabilities of the Transferee Company. However, such liabilities are to be paid by the Transferee Company as and when they occur, therefore, upon the effectiveness of the Scheme</p>
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	vii. As per provisions of	the Transferee Company shall settle the charges created by the Transferor Company on its assets. Moreover, the charges and the assets on which they were created shall become charges/ liabilities and assets of the Transferee Company. Further, upon the effectiveness of the Scheme, the Transferee Company hereby undertakes to comply with all legal procedures for registering the charges of the Transferor Company in its
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	<p>section 232(3)(i) of CA, 2013 where the transferor company is dissolved, the fee if any paid by the transferor company on its authorized capital shall be set off against any fees payable by the transferee company on its authorized capital subsequent to the amalgamation. Therefore,</p>	<p>own name. Pursuant to the provisions of section 232(3)(i) and clause 19 of the Scheme, upon the effectiveness of the Scheme, upon the amalgamation of the Transferor Company with and into the Transferee Company the authorized share capital of the Transferor Company shall be clubbed with the authorized share capital of the Transferee Company and the Transferee Company shall be eligible to claim set-off</p>
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	<p>remaining fee, if any after setting off the fees already paid by the transferor company on its authorized capital, must be paid by the transferee company on the increased authorized capital subsequent to amalgamation.</p> <p>viii. Interest of creditors should be protected.</p>	<p>against any fees and the stamp duty already paid by the Transferor Company.</p> <p>Further, the Transferee Company hereby undertakes to pay the excess fees and stamp duty which is required to be paid by the Transferee Company on the increase of share capital pursuant to the proposed amalgamation.\</p> <p>In respect of the aforesaid query, it is hereby submitted that interest of creditors will</p>
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		be protected.
2(b)	<i>Transferee Company should undertake to comply with section 232(3)(i) of the Companies Act, 2013, through appropriate affirmation in respect of fees payable by Transferee Company for increase of share capital on account of merger of transfer of companies.</i>	Pursuant to the provisions of section 232(3)(i) and clause 19 of the Scheme, upon the effectiveness of the Scheme, upon the amalgamation of the Transferor Company with and into the Transferee Company the authorized share capital of the Transferor Company shall be clubbed with the authorized share capital of the Transferee Company and the Transferee Company shall be eligible to claim set-off



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		<p>against any fees and the stamp duty already paid by the Transferor Company.</p> <p>Further, the Transferee Company hereby undertakes to pay the excess fees and stamp duty which is required to be paid by the Transferee Company on the increase of share capital pursuant to the proposed amalgamation.</p>
2(c)	<p>In compliance of Accounting Standard-14 or IND-AS 103, as may be applicable, the resultant company shall pass</p>	<p>In respect of the aforesaid query, it is hereby submitted that Clause 20 of the Scheme states that upon the</p>



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	such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standards including AS 5 or IND AS-S etc.	effectiveness, the amalgamation of the Transferor Company with and into the Transferee Company shall be accounted as per the “pooling of interest” method provided under the India Accounting Standard (Ind AS) 103 for “Business Combination” prescribed under section 133 of the Companies Act, 2013 (“Act”),
2(d)	The Hon’ble NCLT may kindly direct the Petitioners Companies to file an affidavit	In respect of the aforesaid query, it is hereby submitted that the Scheme filed in the



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	to the extent that the Scheme enclosed to Company Application and Company Petition are one and same and there is no discrepancy or no change is made.	Application and Petition is one and the same and that there is no discrepancy.
2(e)	The Petitioners Companies under provisions of Section 230(5) of the Companies Act, 2013 have to serve notices to concerned authorities which are likely to be affected by Amalgamation or arrangement. Further, the approval of the Scheme by this Hon'ble Tribunal may	In respect of the aforesaid query, it is hereby submitted that in terms of the order dated January 20, 2023, passed in Company Application and order dated March 31, 2023, in Company Petition passed by the Hon'ble Tribunal, wherein the Hon'ble



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<p>not deter such authorities to deal with any of the issues arising after giving effect to the Scheme. The decision of such Authorities is binding on the Petitioner Companies concerned.</p>	<p>Tribunal had directed the Petitioner Companies to serve the notices of Company Application and company petition upon the RD, Registrar of Companies, Mumbai, Official Liquidator attached to the Bombay High Court, concerned income tax authorities, and concerned GST authorities.</p> <p>Pursuant to the said order and in compliance with the provisions of section 230(5) of the Act, the Petitioner Companies had duly served</p>
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		<p>the notices of the Company Application and the Company Petition upon the aforesaid authorities.</p> <p>Further, the Petitioner Companies had undertakes to follow and comply with the directions of the aforesaid authorities</p>
2(f)	<p>As per the Definition of the Scheme.</p> <p>" Appointed Date" for the purpose of this Scheme means May 2nd, 2022 or such other date as the Tribunal (as</p>	<p>In respect of the aforesaid query, it is hereby submitted that the Petitioner Companies clarify and confirm that, the Appointed Date is 2nd May, 2022.</p>



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<p>defined hereinafter) or such competent authority may approve.</p> <p>“Effective Date” shall be the last of the dates on which certified copies of the order of Tribunal (as defined hereinafter) under Section 230 to 232 of the Act, sanctioning this Scheme, is filed by the respective Companies with their respective jurisdictional Registrar of Companies (as defined hereinafter);</p>	<p>Further, the application was filed with the Hon’ble Tribunal on January 01, 2023, meaning thereby the proposed appointed date was not more one year prior to the date of filing of application before Hon’ble tribunal, according, it can be inferred that the scheme confirms and complies with circular no. F. No.7/12/2019/CL-1 dated August 21, 2019, issued by the Ministry of Corporate Affairs.</p>
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<p>Provided that any reference in this Scheme to the date of “upon coming into effect of the Scheme” or “upon the scheme becoming effective” or “effectiveness of the Scheme” shall mean the Effective Date;</p> <p>It is submitted that the Petitioner may be asked to comply with the requirements as clarified vide circular no. F. No, 7/12/2019/CL-I dated 21.08.2019 issued by the Ministry of Corporate</p>	
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	Affairs.	
2(g)	Petitioner Companies shall undertake to comply with the directions of concerned sectoral Regulatory, if so required.	The Petitioner Companies hereby undertake to comply with the directions of the concerned sectoral Regulatory, if so required
2(h)	Petitioner Companies shall undertake to comply with the directions of Income Tax Department, if any.	The Petitioner Companies hereby undertake to comply with the directions of the Income-tax Department, further, the Transferee Company hereby undertake to comply with directions of the Income-tax Department after the implementation of



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		the proposed amalgamation.					
2(i)	<p>As per shareholding pattern as on 31.03.2022 submitted by the Petitioner Company, details of shareholding is as follows:-</p> <table border="1"><thead><tr><th>Sr. No.</th><th>Petitioner Company</th><th>Name of Shareholder</th><th>% of Shares held</th><th>Remark</th></tr></thead></table>	Sr. No.	Petitioner Company	Name of Shareholder	% of Shares held	Remark	<p>It is hereby submitted that the Transferee Company hereby undertakes to comply with the necessary provisions of section 90 of the Companies Act, 2013 and carry on related compliances.</p>
Sr. No.	Petitioner Company	Name of Shareholder	% of Shares held	Remark			



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	1	Jin dal Pol yp ack Li mit ed	Jind al Pol y Fil ms Lim ited	1 0 0 %	No Form BEN- 2 has been filed by any of the Petiti oner Comp anies as per recor ds availa ble at MCA 21 Portal	
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<p>No Form Ben-2 has been filed by any of the Petitioner Company as per records available at MCA21 Portal, hence Petitioner Companies shall under take to comply with the provisions of section 90 of Companies Act, 2013 r/w. Companies (Significant Beneficial Owners) Amendment Rules, 2019, thereunder and to file Form BEN-2 for declaring name of the significant beneficial owner with concerned ROC.</p>	
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10. The observations made by the Regional Director have been explained by the Petitioner Companies in Para 9 above. The Representative of the RD has submitted that the explanations and



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clarifications given by the Petitioner Companies are found satisfactory and that they have no objection to the Scheme.

11. The Official Liquidator has filed his report on 18th May, 2023 in the Company Scheme Petition No. 74 of 2023, containing following observation for which the Petitioner Companies had made the following reply:

a. As per the financial statement as at 31.03.2022 the total Revenue of the Transferor Company is Rs. 3,83,59,52,000/-. Further, from the reply of the company received on 03.05.2023 it is found that company has written off Bad Debts/Advance to the tune of Rs. 6,92,71,396/- which is more than 1 % of turnover. Company has failed to take legal steps for recovery of the said amount. It reflects poor corporate governance of company and has caused loss to the company.

Reply

In respect of the aforesaid query, it is hereby submitted that the Transferor Company in the aforesaid reply filed by the Transferor company on May 3, 2023, wherein the Transferor Company stated that as on March 31, 2022, the Transferor Company had written off its bad debts amounting to Rs.



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6,92,71,396/-, the relevant extract of the said reply is reproduced hereunder:

<i>Bad Debts Written Off Summery F.Y. 2021-2022</i>	
<i>Particular</i>	<i>Amount</i>
<i>Sundry Debtor W/OFF</i>	
<i>Huhtamaki India Limited</i>	<i>78,914</i>
<i>SMI share capital- FZE</i>	<i>5,37,41,135</i>
<i>Charming General Trading Ltd</i>	<i>83,24,681</i>
<i>DPJ Barcode & Label Printers Pvt</i>	<i>72,15,132.96</i>
<i>Sundry Creditor W/Off</i>	
<i>Lami Coat Equipment</i>	<i>-54,446</i>
<i>Resource Engimech (I) Pvt. Ltd</i>	<i>-7,021</i>
<i>Vision Electro Mechanical</i>	<i>-27,000</i>
<i>Grand Total</i>	<i>6,92,71,396</i>

It is hereby further submitted that the amount written-off on account SMI share capital- FZE (“Investee Company”) is an investment made by the Transferor Company in a Dubai based subsidiary company.



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The said company was incorporated to meet overseas demand of packaging films which were manufactured in Dubai. However, due to the market condition and customer requirement at Investee Company's home country, the operations of Investee Company stood wound-up which resulted in erosion of investment amount made by the Transferor Company. Therefore, there was no reason to unnecessarily incur further legal costs on the Transferor Company to recover its investment from its own subsidiary. Accordingly, the said amount of investment was written-off from the books of the Transferor Company.

Apart from other the aforesaid investment, other amounts written-off belong to debtors of the Transferor Company which have been written-off in due course of the business. The amount of such debtors written-off is below 1% of the turnover of the Transferor Company as on March 31, 2022. Hence, the question of poor corporate governance does not arise. Regarding the outstanding amount has been written off pertaining to the debtors, namely, M/s Huhtamaki India Limited, M/s Charming General Trading Limited and M/s DPJ Barcode & label Printers Private Limited, these were trade



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debtors collectively amounting to Rs. 1,56,18,728.96/-. It is important to note that the above sums come to the tune of 1.5% of the total debtors of the company, which amounts to Rs. 1,03,26,91,000/-. The decision to write-off these trade debtors was made in the ordinary course of business in accordance with the applicable accounting practices followed by the company, in due consideration by the management of the Company. The company hereby undertakes that such written-off the debt, is not in any way prejudice to the interest of the company and the same was undertaken to depict the true and fair financial position of the debtors.

- b. From the Financial Statement as at 31.03.2022 it is observed that, the Auditor has made adverse remark at point No. (ii)(b) of Annexure 'A' to the independent auditor's report 31st March, 2022 which is reproduced as under:*

'According to the information and explanation given to us and on the basis of our examination of the records of the company. Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets, the quarterly returns or statements filed by the Company with such banks



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are not match with the books of account of the Company. The discrepancy notice in the fourth quarter year ending as under

Amount in lacs (INR)

<i>Particulars</i>	<i>Amount as per Bank report</i>	<i>Amount as per Book</i>	<i>Difference</i>
<i>Inventory</i>	<i>6018.57</i>	<i>5432.48</i>	<i>676.09</i>
<i>Book debt</i>	<i>10712.64</i>	<i>10535.97</i>	<i>176.67</i>

Since there is a mismatch of financial figures please clarify how the company give a true & fair view of the status of affairs of the company as per the provisions of Section 129(1) of the Companies Act, 2013.

Reply

In respect of the aforesaid query, it is hereby submitted that the statutory auditor of the Transferor Company in its report has explicitly stated that the stand-alone financial statements of the Transferor Company are prepared in compliance of the relevant provisions of Indian Accounting Standards ("*Ind AS*") as prescribed under section 133 of the Companies Act, 2013 which depicts true and fair view. Further, the auditor's report also stated that the Transferor Company had implemented an



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adequate internal financial control system over the financial reporting.

Relevant extracts from the auditors' report is as under:

"In our opinion and to the best of our information and according to the explanations given to us. the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity) with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. ("Ind AS") and other accounting principles generally accepted in India. of the State of affairs of the Company as of March 31, 2012 and its profit total comprehensive income (changes in equity) and its cash flows for the year ended."

As far as the aforesaid para in auditors' report is concerned, the same **was mentioned in the auditors' report only as a factual point and it is not a qualification**. Because had it been a qualification then the auditor himself would not have stated in his report that the financial statement of the Transferor Company **depicts true and fair view**. The said information in auditors' report is similar to the other factual reporting made by the



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auditor, like, pending tax proceedings etc. and it was not an observation made by the auditor in his report.

Needless to mention that the auditor in its CARO report has also mentioned that the details are only of the last quarter of the financial year and details of other quarter data were not available, therefore, was not considered. It is hereby further submitted that the said difference is only due to non-consideration of other quarter results/ report of Bank.

- c. *As per the information given by the company vide letter dated nil received in Official Liquidator on 03.05.2023, the company has a loan from director as on 31.03.2021 as follows which has been made zero as at 31.02.2022.*

<i>Sr. No.</i>	<i>Name of Director</i>	<i>Loan amount as at 31.03.2021</i>
<i>1.</i>	<i>Mr. Ajay Mehta</i>	<i>1,39,00,000/-</i>
<i>2.</i>	<i>Mrs. Swati Mehta</i>	<i>97,00,000/-</i>
<i>3.</i>	<i>Mr. Rohit Mehta</i>	<i>90,00,000/-</i>



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Company may be put to strict proof that the above loans are exempted deposits in terms of proviso to clause (viii) of Rule 2 of Companies Acceptance of Deposit) Rules, 2014.

Reply

It is hereby also submitted that money taken from the erstwhile directors, the said amount was outside the purview of the term 'deposit' in terms of proviso to clause (viii) of Rule 2 of Companies Acceptance of Deposit) Rules, 2014. In this regard, a declaration from Mr. Devinder Kumar Rethaliya, director of the Transferor Company deposing that the Transferor Company has no deposits either from its directors or from any other party was attached with the rejoinder.

12. From the material on record, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy.



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13. Since all the requisite statutory compliances have been fulfilled, Company Scheme Petition No. 74 of 2023 is made absolute in terms of clauses (a) to (c) of the said Company Scheme Petition
14. The Petitioner Company No.1 be dissolved without winding up.
15. Petitioners are directed to file a copy of this Order along with a copy of the Scheme of Amalgamation with the concerned Registrar of Companies, electronically along with E-Form INC-28, in addition to physical copy within 30 days from the date of receipt of the Order from the Registry.
16. The Petitioner Companies to lodge a copy of this Order and the Scheme duly authenticated by the Deputy Registrar or Assistant Registrar, National Company Law Tribunal, Mumbai Bench, with the concerned Superintendent of Stamps, for the purpose of adjudication of stamp duty payable within 60 days from the date of receipt of the Order, if any.



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17. All authorities concerned to act on a copy of this Order along with Scheme duly authenticated by the Deputy Director or Assistant Registrar, National Company Law Tribunal, Mumbai.
18. The Appointed Date is 2nd May, 2022.
19. Ordered Accordingly. Pronounced in open court today.

Sd/-

**SHYAM BABU GAUTAM
MEMBER (TECHNICAL)**

Sd/-

**KULDIP KUMAR KAREER
MEMBER (JUDICIAL)**