

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,**

**BENCH, AT MUMBAI**

**COMPANY SCHEME PETITION NO. 226 OF 2017**

**(under Sections 230-232 of the Companies Act 2013)**

**CONNECTED WITH**

**C.S.A. NO. 9 OF 2017**

In the matter of the Companies Act, 2013

AND

In the matter of Section 230 to 232 of the  
Companies Act, 2013

AND

Other applicable provisions of the  
Companies Act, 2013

AND

Scheme of Amalgamation between  
Global Nonwovens Limited (**“Petitioner  
/ Transferor / Amalgamating  
Company”**) and Jindal Poly Films  
Limited (**“Amalgamated Company”**)  
and their respective Shareholders and  
Creditors

**GLOBAL NONWOVENS LIMITED** )  
[CIN NO.U17291MH2012PLC232211], A )  
Company incorporated under the Companies )  
Act, 1956, having its Registered Office at )  
Poonam Chambers, "B" Wing, 102/B, First )  
Floor, Shivsagar Estate, Dr. Annie Besant )  
Road, Worli, Mumbai – 422403, Maharashtra. ) ... Petitioner Company

**APPEARANCE: Ameya Gokhale, Meghna Rajadhyaksha and Pulkitesh Dutt  
Tiwari i/b Shardul Amarchand Mangaldas & Co advocates  
for the Petitioner Company**

**Coram: B.S.V Prakash (Member) (J)**

**V. Nallasenapathy (Member) (T)**

**Date: 22<sup>nd</sup> June, 2017**

**MINUTES OF ORDER**

1. Heard learned Counsel for parties. No objector has come before this Tribunal to oppose the Scheme and nor has any party controverted any averments made in the Petitions.

2. The sanction of this Tribunal is sought under Sections 230 to 232 of the Companies Act, 2013, to a Scheme of Amalgamation between Global Nonwovens Limited (**"Petitioner / Transferor / Amalgamating Company"**) and Jindal Poly Films Limited (**"Amalgamated Company"**) and their respective Shareholders and Creditors.
  
3. The Counsel for the Petitioner / Amalgamating Company submit that the Petitioner / Amalgamating Company is engaged in the business of manufacturing spunbound and spunmelt nonwoven fabric made of polypropylene filament used for medical, hygiene, packaging, automotive industry and agriculture. The Amalgamated Company is engaged inter-alia in the following key business :-
  - A. **BOPET Film:** It find application in photographic/X-ray, electronics, printing, textile, pre-press back up films, for photo voltaic cells used for generating solar power and office supplies, motor insulations photopolymer plates and document lamination, packaging metallic yarn, cables, transformers, capacitors, audio/video tape, hot stamping foils, release films, decorative ribbons and labels etc.
  
  - B. **BOPP Film:** Better moisture retention properties render BOPP Film more suitable for food products like snack foods, biscuits, pasta, dried foods and woven polypropylene bags.

- C. **Metallised Films:** Vacuum deposition of Aluminium on BOPET and BOPP films increases the barrier properties of such films. Besides flexible packaging metallised BOPET films is used for metallic yarn. Metallised BOPP is widely used for gift wrapping.
  - D. **Coated Films:** PVDC coated BOPP and BOPET films are used in the flexible packaging industry.
  - E. **Polyester Chips:** manufacturing polyester chips.
4. The Petitioner / Amalgamating Company has approved the said Scheme of Amalgamation by passing the Board Resolution dated 23<sup>rd</sup> August 2016 which is annexed to the Company Scheme Petition.
5. The respective Boards of Directors of the Petitioner / Amalgamating Company and the Amalgamated Company are of the view that the proposed Scheme of Amalgamation is beneficial to the respective shareholders, employees and all stakeholders of the Petitioner / Amalgamating Company and the Amalgamated Company. The proposed Scheme of Amalgamation is aimed at achieving the following business and commercial objectives:
- A. Enhance the shareholder's value accruing from consolidation of the business operations resulting in economies of scale, improving allocation of capital, and optimizing cash flows, thus contributing to the overall growth prospects of the combined entity.
  - B. Optimum utilisation of resources due to pooling of management, administrative and technical skills of various resources of both the Amalgamated Company and Petitioner/ Amalgamating Company,

better administration and cost reduction, including reduction in managerial, administrative and other common costs.

C. Creation of larger asset base and facilitating access to better financial resources.

6. The Learned Advocate appearing on behalf of the Petitioner Company has stated that the Petitioner Company has complied with all requirements as per directions of this Tribunal and it has filed necessary Affidavits of compliance in this Tribunal. Moreover, the Petitioner Company undertakes to comply with all statutory requirements, if any, as required under the Companies Act, 2013 and the Rules made thereunder whichever is applicable. The said undertaking is accepted.
7. The Official Liquidator in his report dated 2<sup>nd</sup> June, 2017 stating that the affairs of the Petitioner / Transferor Company have been conducted in a proper manner and that the Transferor Company may be ordered to be dissolved.
8. The Registrar of Companies, Maharashtra, Mumbai ("ROC") has filed his report dated 30<sup>th</sup> May, 2017 stating that it does not have any adverse observations and that this Tribunal may decide the matter on merits.
9. The Regional Director has filed his report dated 1<sup>st</sup> June, 2017 stating therein that, save and except as stated below, it appears that the Scheme is not

prejudicial to the interest of the shareholders and public. In paragraph IV of the said report, it is stated that:

*1. The tax implication if any arising out of the Scheme is subject to final decision of Income Tax Authorities. The approval of the Scheme by this Hon'ble Tribunal may not deter the Income Tax Authority to scrutinize the tax return filed by the Transferee Company after giving effect to the scheme. The decision of the Income Tax Authority is binding on the Petitioner Company.*

*2. It is submitted that the Petitioner Companies have submitted the proof of serving notice, upon the Income Tax Authorities for comments. This Directorate has also issued a reminder letter to the Income Tax Department dated 19.05.2017.*

*3. It is to mention that the transferee company Jindal Poly Films Limited is located in Uttar Pradesh and the company therefore filed Application before the Hon'ble NLCT, Allahabad Bench. Petitioner companies produced copy of order dated 12.04.2017 of the Hon'ble NCLT, Allahabad Bench inter alia sanctioning the scheme of Amalgamation.*

10. As far as the observation of the Regional Director stated in paragraph IV (1) and (2) of his report is concerned, the Petitioner undertakes to comply with all applicable provisions of the Income Tax Act and all tax issues arising out

of the Scheme of Amalgamation will be met and answered in accordance with law.

11. As far as the observation of the Regional Director stated in paragraph IV (3) of his report is concerned, the Petitioner states that the same is a matter of fact and that the Scheme of Amalgamation has already been sanctioned by the NCLT, Allahabad bench vide its order dated 12<sup>th</sup> April, 2017.
12. The observations made by the Regional Director have been explained by the Petitioner Company in an affidavit dated 6<sup>th</sup> June 2017 filed by it and also in paragraphs 10 and 11 above. The clarifications and undertakings given by the Petitioner Company are hereby accepted.
13. 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.
14. Since all the requisite statutory compliances have been fulfilled, Company Scheme Petition No. 226 of 2017 filed by the Petitioner Company is made absolute in terms of prayer clauses (a) and (b) of the Petition.
15. Petitioner Company is 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 the physical copy within 30 days from the date of issuance of the Order by the Registry.

16. The Petitioner Company to lodge a copy of this Order and the Scheme duly authenticated by the Deputy Director, National Company Law Tribunal, Mumbai Bench, with the concerned Superintendent of Stamps for the purpose of adjudication of stamp duty payable, if any, on the same within 60 days from the date of receipt of the Order.
17. The Petitioner Company to pay costs of INR 25,000 /- each to the Regional Director, Western Region, Mumbai and to the Official Liquidator, High Court, Bombay. Costs to be paid within four weeks from today.
18. All authorities concerned to act on a certified copy of this Order along with Scheme duly authenticated by the Deputy Director, National Company Law Tribunal, Mumbai Bench.

Sd/-

**B.S.V Prakash Kumar**

**(Member) (J)**

Sd/-

**V. Nallasenapathy**

**(Member) (T)**