IN THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH-II

CA (CAA) No. 237/MB/2024

[Under Sections 230 to 230 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 ARRANGEMENT (DEMERGER) BETWEEN

PRAKASH FLEXIBLES PRIVATE LIMITED

[CIN: U36999TN1993PTC024331]

Registered Office: Plot No. 10-15 & 22-27,

Phase VIII, New SIDCO Industrial Estate,

Kancheepuram, Maraimalai Nagar,

Tamil Nadu-603209, India

…First Applicant Company/

Demerged Company

JHAVERI FLEXO INDIA PRIVATE LIMITED

[CIN: U25209MH1985PTC035938]

Registered Office: 9th Floor, Gold Crest,

N.S. Road No. 10, JVPD Scheme, Juhu,

Vile Parle (West), Mumbai-400049, Maharashtra, India

…Second Applicant Company/

Resulting Company

AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

Pronounced on: 22.09.2026

CORAM:

HON'BLE SHRI ASHISH KALIA, MEMBER (JUDICIAL)

HON'BLE SHRI BANWARI LAL MEENA, MEMBER (TECHNICAL)

Appearances: Hybrid

For the Applicant(s) : Mr. Ankit Pitti a/w Mrs. Zeyna Titina Dumasia, i/b S&T Legal., Advocate

ORDER

[Per: Coram]

1. This is a First Motion Company Scheme Application jointly filed by **Companies** on **25.10.2024** seeking appropriate directions from this Tribunal in relation to the **Scheme of Arrangement (Demerger)** between Prakash Flexibles Private Limited (hereinafter referred to as "**the Demerged Company**"/" First Applicant Company") and Jhaveri Flexo India Private Limited (hereinafter referred to as "**the Resulting Company**"/" Second Applicant Company") and their respective shareholders and creditors under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as **"the Act"**) and the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (hereinafter referred to as **"the CAA Rules"**).
2. The registered office of the Demerged Company is situated at Kancheepuram, Tamil Nadu, and accordingly falls within the territorial jurisdiction of the National Company Law Tribunal, Chennai Bench, before which a separate Company Scheme Application has been filed by the Demerged Company for sanction of the Scheme. The said scheme has been approved vide Order dated **12.01.2026** Company Petition CAA/21(CHE)/2025 in Company Application CAA/15(CHE)/2025 by the Hon'ble National Company Law Tribunal, Chennai Bench.
3. The registered office of the Resulting Company is situated in Mumbai, Maharashtra, and thus, the subject matter of this Company

Scheme Application, insofar as it relates to the Resulting Company, is within the territorial jurisdiction of this Tribunal.

4. The Board of Directors of the Demerged Company, held on **24.09.2024** and in the meeting of the Resulting Company held on **25.06.2024,** have approved the proposed Scheme. Certified true copies of the respective Board Resolutions have been placed on record.

5. It is submitted that the Appointed Date of the proposed Scheme of Amalgamation is **01.04.2024.**

6. The Applicant Companies were incorporated under the Companies Act, 1956. The nature of business of the Applicant Companies is given as follows:

   i) Demerged Company / First Applicant Company was incorporated on **04.02.1993**, under the provisions of the Companies Act, 1956. The Demerged Company is engaged in the business of manufacture of flexible laminated printed packaging material, lamination by extrusion or other processes, and allied packaging and printing products.

   ii) Resulting Company / Second Applicant Company was incorporated on **16.04.1985**, under the provisions of the Companies Act, 1956. The Resulting Company is engaged in the manufacture of flexible packaging and the manufacture, distribution, sale, purchase, import and export of plastic films used for wrapping food products, and has manufacturing facilities at Silvassa and Aurangabad.

7. The Learned Counsel for the Applicant Companies submits that the proposed Scheme inter-alia provides for the demerger of the Demerged Undertaking of the Demerged Company (as defined in the Scheme) and its transfer to and vesting in the Resulting Company on a going concern basis, while the Remaining Business Undertaking shall continue to remain with the Demerged Company.

8. The **Rationale** of the proposed Scheme is stated as under:

   a) The promoters of the Resulting Company have been scouting for opportunities to expand their business to South India, and as a measure of inorganic expansion of business, the Resulting Company and the shareholders of the Demerged Company have agreed on certain terms whereby the Demerged Undertaking of the Demerged Company would be acquired by the Resulting Company;

   b) Transfer of the Demerged Undertaking to the Resulting Company will help the Demerged Company to focus on its remaining business Undertaking and explore new opportunities therein;

   c) Unlocking the value of the Demerged Undertaking for the shareholders of the Demerged Company;

   d) Enabling focused growth strategies for each business and seizing the opportunities specific to each business; and

   e) Operational efficiency.

9. The Scheme is in the best interests of the Parties and their respective stakeholders.

10. The details of authorized, issued, subscribed and paid-up share capital of the Applicant Companies as on **31.03.2025** are as under:-

Demerged Company/ First Applicant Company:

PRAKASH FLEXIBLES PRIVATE LIMITED (Demerged Company)	
Particulars	**Amount (in Rs.)**
Authorized Share Capital	
7,50,000 Equity Shares of Rs. 10/- each	75,00,000/-
Total Authorized Share Capital	**75,00,000/-**
Issued, Subscribed and Paid-up Capital	
6,76,300 Equity Shares of Rs. 10/- each, (fully paid-up)	67,63,000/-
Total Issued, Subscribed and Paid-up Capital	**67,63,000/-**

Resulting Company/ Second Applicant Company:

JHAVERI FLEXO INDIA PRIVATE LIMITED (Resulting Company)	
Particulars	**Amount (in Rs.)**
Authorized Share Capital	
50,000 Equity Shares of Rs. 5,000/- each	25,00,00,000/-
Total Authorized Share Capital	**25,00,00,000/-**
Issued, Subscribed and Paid-up Capital	
38,400 Equity Shares of Rs. 5,000/- each, fully paid-up	19,20,00,000/-
Total Issued, Subscribed and Paid-up Capital	**19,20,00,000/-**

11. The Authorised, Issued, Subscribed and Paid-Up Share Capital of

the Demerged Company as on **25.06.2024** are as follows:

PRAKASH FLEXIBLES PRIVATE LIMITED (Demerged Company)	
Particulars	**Amount (in Rs.)**
Authorized Share Capital	
7,50,000 Class A Equity Shares of Rs. 10/- each	75,00,000
1,54,44,260 Class B Equity shares of Rs.10 each	15,44,42,600
Total Authorized Share Capital	**16,19,42,600**
Issued, Subscribed and Paid-up Capital	
6,83,131 Class A Equity Shares of Rs 10/- each, fully paid-up	68,31,310
1,54,44,252 Class B Equity Shares of Rs. 10/- each, fully paid-up	15,44,42,520
Total Issued, Subscribed and Paid-up Capital	**16,12,73,830**

11. It is stated that subsequent as on the date of filing of the present Company Scheme Application, there has been no change in the Authorised, Issued, Subscribed and Paid-up Share Capital of the Resulting Company as stated above.

12. **CONSIDERATION FOR SCHEME.**

a. The Learned Counsel for the Applicant Companies submit that the consideration for the scheme is as under:

Upon the Scheme becoming effective, the Resulting Company shall, without any further application or deed but subject to necessary approvals, if any, being granted, issue and allot equity shares to shareholders holding both Class A and Class B Equity shares, credited as fully paid-up, to the extent indicated below, on the

Record Date or to such of their respective heirs, executors, administrators or other legal representatives or their successors in title, as may be recognized by the Board of the Demerged Company in the following proportion:

"01 (One) fully paid-up equity share of Rs. 5,000/- each of the Resulting Company to every shareholder of the Demerged Company"

b. Ms. Nivetha Vincent, who holds 18.80% Class B Equity shares In the Demerged Company, has a vested interest solely in the retained business, and therefore shall not be allotted any shares in the Resulting Company. The valuation report issued by a Registered Valuer determining the above share exchange ratio has been placed on record and annexed.

13. A Certificate dated **08.08.2024**, issued by the Statutory Auditor of the Resulting Company, S S Kothari Mehta & Co. LLP., Chartered Accountants, has been placed on record certifying and confirming that the proposed accounting treatment in the books of the Resulting Company dated on **29.09.2024**, as contained in Clause 7 Part III to the Draft Scheme, is in compliance with all the applicable Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with relevant Rules issued thereunder and other Generally Accepted Accounting Principles in India.

14. It is observed that Resulting Company has **131 (One Hundred and Thirty - One)**, Equity Shareholders holding **38,400** equity shares of Rs. 5000/- each as on 06.02.2026. As per paid- up share capital, **5**

(Five) equity shareholders constituting of **98.78%** of total paid up capital of paid up share capital of the Resulting Company have provided their written consent through affidavits for the approval of the Scheme. These affidavits have been annexed to the Company Scheme Application, along with a certificate issued M/s Bhatter & Company, Chartered Accountants dated **08.10.2024**, confirming the status of the Secured Creditors as on **04.08.2024**. **Accordingly, the requirement of convening and holding a meeting of the Equity shareholders of the Resulting Company is dispensed with.**

15. The Ld. Counsel for the resulting Company Submitted, as on **04.08.2024**, had the following Secured and Unsecured Creditors:

Particulars	**Number of Creditors**	**Value (in Rs.)**
Secured Creditors	3 (Three)	26,51,07,315.57
Unsecured Creditors	437 (Four Hundred and Thirty-Seven)	31,59,73,450.68

16. A copy of the certificates/list issued by an Independent chartered Accountant, M/s Bhatter & Company, confirming the above – mentioned details of the Secured Creditors and Unsecured Creditors of the Resulting Company as on **04.08.2024**. are annexed to the Company Scheme Application, respectively.
17. The Resulting Company has **3 (Three)** Secured Creditors, amounting to Rs. 26,51,07,315.57/- as on **04.08.2024**. All Secured Creditors have consented to the proposed Scheme. The consent

affidavits of all Secured Creditors have been annexed to the Company Scheme Application, along with a certificate issued by., M/s Bhatter & Company, Chartered Accountants dated **08.10.2024**, confirming the status of the Secured Creditors as on **04.08.2024**. **Accordingly, the requirement of convening and holding a meeting of the Secured Creditors of the Resulting Company is dispensed with.**

18. The Resulting Company has **437 (Four Hundred and Thirty – Seven)** Unsecured Creditors, amounting to Rs. 31,59,73,450.68/- as on **04.08.2024**. Consent affidavit have been obtained from **9 (Nine)** out of 437 (Four Hundred and Thirty – Seven) Unsecured Creditors, **constituting 91% of the total outstanding amount** owed by the Resulting Company to its Unsecured Creditors have consented to the proposed Scheme. The consent affidavits of 9 (Nine) Unsecured Creditors have been annexed to the Company Scheme Application, along with a certificate issued by M/s Bhatter & Company, Chartered Accountants dated **08.10.2024**, confirming the status of the Unsecured Creditors as on **04.08.2024**. **Accordingly, the requirement of convening and holding a meeting of the Unsecured Creditors of the Resulting Company is dispensed with.**

19. A copy of the Share swap ratio dated **24.09.2024**, issued by Murli Chandak, a registered valuer, recommending the share swap ratio for the Scheme of Arrangement (Demerger) is attached to this Scheme Application.

20. It is submitted that the assets of the Demerged Company and the Resulting Company are more than sufficient to meet the liabilities of the Resulting Company, and the Scheme will not adversely affect the rights of any of the Secured or Unsecured Creditors of the Resulting Company in any manner whatsoever.

21. Upon the Scheme becoming effective and with effect from the Appointed Date, the entire Demerged Undertaking of the Demerged Company (as defined in this Scheme), shall, pursuant to the provisions contained in Sections 230 to 232 of the Act and all other applicable provisions, if any, of the Act and without any further act, deed, matter or thing, stand transferred to and vested in and/or be deemed to be transferred to and vested in the Resulting Company all the rights, liabilities, properties, title and interest pertaining to the Demerged Undertaking.

22. The Resulting Company has submitted that no investigation and/or proceedings under the Act have been instituted or are pending in relation to the Resulting Company as on the date of filing of the present Company Scheme Application.

23. The Resulting Company is directed to serve notices of the present Application complete with enclosures in **Form No.CAA.3** by way of Registered Post A.D./ Speed Post/ Hand Delivery and email upon the following authorities:-

    i. The Central Government through the office of Regional Director, Western Region, Ministry of Corporate Affairs Mumbai;

ii. Registrar of Companies, Mumbai;

iii. Concerned Income-tax Authorities within whose jurisdiction the assessments of the Resulting Company are made:

Name of the Company	PAN	Income Tax Jurisdiction
Jhaveri Flexo India Private Limited	AAACF4037F	Circle 2(2)(1), Mumbai, Aayakar Bhawan, Mumbai [Email: Mumbai.dcit.2.2.1@incometax.gov.in]

iv. Jurisdictional GST Authority within whose jurisdiction the Resulting Company is assessed to tax under GST law;

v. Reserve Bank of India

vi. Any other Sectoral Regulators or Authorities relevant to the Resulting Company or their business.

pursuant to Section 230(5) of the Act and as per Rule 8 of the CAA Rules. If the above authorities desire to make any representation, the same shall be sent to this Tribunal within a period of 30 days from the date of receipt of such notice and copy of such representation shall simultaneously be sent to the concerned companies. If no response is received by the Tribunal from such authorities within 30 days of the date of receipt of the notices, it will be presumed that they have no objection to the Scheme in terms of Rule 8(3) of the CAA Rules. It is clarified that service of notice through courier shall be taken on record only in cases where it is supported with proof of delivery having acknowledgement of the notice.

24. The Resulting Company is directed to serve a copy of the Scheme upon the Official Liquidator, High Court of Bombay in terms of Section 230(5) of the Act and Rule 8 of the CAA Rules seeking its objection, if any, in respect of all Transferor Companies under the proposed Scheme. In case the Official Liquidator desires to make any representation, the same shall be sent to the Tribunal within a period of 30 days from the date of receipt of such notice and copy of such representation shall simultaneously be sent to the concerned company. If no representation/response is received by the Tribunal from the Official Liquidator within a period of thirty (30) days from the date of receipt of such notice, it will be presumed that the Official Liquidator has no objection to the Scheme in terms of Rule 8 of the CAA Rules.
25. The Resulting Company is shall host the notices directed herein on their respective websites, if any.
26. The Resulting Company shall, along with the Company Scheme Application, submit:-
    i. Details of Corporate Guarantee, Performance Guarantee and Other Contingent Liabilities, if any.
    ii. List of pending IBC cases, if any, along with all other litigation pending against the Resulting Company having material impact on the Scheme.
    iii. Details of all Letters of Credit sanctioned and utilized as well as Margin Money details, if any.

27. The Resulting Company is directed to file Affidavit of Service with the Registry within 15 days from service of notices complete with enclosures upon the regulatory authorities mentioned above and report to this Tribunal that all the directions in this regard have been duly complied with. The Applicant Companies are also directed to include in the Affidavit of Service proof of dispatch of documents sent to the creditors, wherever applicable, and to report to this Tribunal that the directions regarding the issue of notices have been duly complied with.
28. The Appointed Date of the Scheme of Demerger is **01.04.2024.**
29. The Company Application is **allowed and disposed of** in terms of the aforesaid directions.

Sd/-

BANWARI LAL MEENA

MEMBER (TECHNICAL)

Sd/-

ASHISH KALIA

MEMBER (JUDICIAL)

//LRA-Asmita Jagtap//