



# JINDAL POLY FILMS LTD.

Plot No. 12, Sector B-1,  
Local Shopping Complex,  
Vasant Kunj,  
New Delhi - 110070 (INDIA)  
Phone : 011-40322100  
Fax : (91-11) 40322129  
Web. : www.jindalgroup.com

December 18, 2019

**JPFL/DE-PT/SE/2019-20**

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

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

(Scrip Code: NSE: JINDALPOL Y)

(Scrip Code: BSE: 500227)

**Sub: Intimation under Regulation 30 and Record Date Intimation under Regulation 42 (Scheme of Arrangement) of SEBI (LODR), Regulations, 2015.**

**Ref: Scheme of Arrangement among Jindal Poly Films Limited "JPFL" (Demerged Company/Transferee Company) And Universus Photo Imagings Limited" UPIL" (Formerly known as Jindal Photo Imaging Limited) (Resulting Company) and their Respective Shareholders and Creditors ("Approved Scheme")**

Dear Sirs,

Kindly refer to our Letter Dated December 10, 2019 informing your good office regarding the sanction of the Scheme of Arrangement (Scheme) by the Hon'ble National Company Law Tribunal (NCLT), Allahabad Bench vide its Order Dated December 9, 2019 (Certified Copy Received by the Company on December 17, 2019) read with BSE and NSE observation letter no. DCS/AMAL/BA/R37/1422/2018-19 dated March 11, 2019 and NSE/LIST/19332 dated March 11, 2019 respectively and intimation regarding change of Name of Resulting Company vide letter dated December 13, 2019.

In furtherance to the same and in accordance with Regulations 30 and 42 of the SEBI (LODR), Regulations 2015, we wish to inform you that the meeting of the Board of Directors of the Company ("Board") was duly convened today, i.e. on December 18, 2019 where the Board, *inter alia*, considered/ noted/ took on record the following:

1. The Board took on record the sanction of the Scheme by NCLT Allahabad by its order dated December 09, 2019 (the "Order").
2. The 'Appointed Date' of the Scheme is April 1, 2019
3. The 'Effective Date' of the Scheme shall be the date when the certified true copies of the Order shall be filed with the respective jurisdictional Registrar of Companies by the Company.
4. Took note of change in name of Resulting Company from Jindal Photo Imaging Limited to Universus Photo Imagings Limited vide revised Certificate of Incorporation issued by Registrar of Companies (ROC), Kanpur.



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**Regd. Office : 19th K.M. Hapur Bulandshahr Road, P.O. Gulaothi, Distt. Bulandshahr (U.P.)**

**CIN : L17111UP1974PLC003979**



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5. **Tuesday, December 31, 2019** has been fixed as the Record Date "**JPFL Record Date**", for the following purposes:

For reckoning the names of the Equity Shareholders of **JPFL** who shall be entitled to receive the Equity Shares of **UPIL** in consideration for the Demerger of Photo Film Business of **JPFL** (**Demerged undertaking** as defined under Scheme) in the following ratio:

***"1 (one) Equity Shares of Rs.10 (Rupees Ten) each at par in UPIL for every 4 (four) Equity Shares of Rs.10 (Rupees Ten) each held by them in JPFL".***

Further please note that post implementation of the Scheme, the subscribed and fully paid up share capital of **UPIL** (Resulting Company) would be as under:

***"1,09,46,604 Equity share of Rs. 10/- each aggregating Rs. 10,94,66,040 /- (Rupees Ten Crores Ninety-Four)"***

Consequently, New Equity Shares issued & allotted to the shareholders of **JPFL** in accordance with the scheme shall be listed and/or admitted to trading on the BSE Limited and National Stock Exchange of India Limited (**NSE**), where the equity shares of **JPFL** are listed and/or admitted to trading.

Further the authorized share capital of **UPIL** shall stand increased from Rs. 2,00,00,000/- (Rupees Two Crore) to Rs. 12,00,00,000 (Rupees Twelve Crores) divided into 1,20,00,000 Equity Shares of Rs. 10.00 each, without any further act or deed or thing.

We are enclosing herewith the Certified copies of the **NCLT** order alongwith synopsis of the Scheme for complete information.

Please take note of the same in your record.

Thanking You,

Yours Truly,

For Jindal Poly Films Limited

**Sanjeev Kumar**  
Company Secretary

ACS: 18087

Encl: A/a





SCHEME OF ARRANGEMENT (THE SCHEME) AMONG JINDAL POLY FILMS LIMITED "JPFL" (DEMERGED COMPANY/TRANSFeree COMPANY) AND UNIVERSUS PHOTO IMAGINGS LIMITED "UPIL" FORMERLY JINDAL PHOTO IMAGING LIMITED (RESULTING COMPANY) AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS UNDER SECTIONS 230 TO 234 OF COMPANIEC ACT 2013 OR ANY OTHER APPLICABLE PROVISIONS:

## SYNOPSIS

### **DEMERGER:**

Demerger Photo Film Business of JPFL (Demerged Company) including the strategic investment (**Demerged undertaking** more particularly defined under Scheme)

- (i) Upon the Scheme becoming effective and in consideration of the Demerger of JPFL "Demerged Undertaking" from JPFL and transfer and vesting of the same to UPIL in terms of **Para 4** of the Scheme, UPIL shall without any further act or deed, issue and allot its Equity Shares to the Equity Shareholders of JPFL as provided in **Para 13.1 of the Scheme**, whose name is recorded in the Register of Members and the records of the Depositories as members of JPFL on the 'JPFL Record Date' i.e. 31<sup>st</sup> day, December, 2019 in the following ratio:

**"1 (one) Equity Shares of Rs.10 (Rupees Ten) each at par in UPIL for every 4 (four) Equity Shares of Rs.10 (Rupees Ten) each held by them in JPFL."**

- (ii) In accordance with Para 7 of the Scheme, all the Existing 50,000 Equity shares of UPIL (Resulting Company) held by JPFL (Demerged Company) and its nominees shall stand cancelled, extinguished and be of no effect as on Effective Date.

- (iii) UPIL will issue its Shares to those eligible Shareholders of JPFL whose name shall appear:

- a) As Beneficial Owners at the close of business hours on JPFL **Record Date** i.e. **Tuesday, December 31, 2019**, as per the list to be furnished by the Depositories (NSDL & CDSL) in respect of the Equity Shares of JPFL held in electronic form; and

As Shareholders in the Register of Members of JPFL, after giving effect to all valid share transfers in physical form which are received on or before close of business hours on JPFL Record Date i.e Tuesday, December 31, 2019 to be furnished by KFin Technologies Private Limited ( Formerly known as M/s. Karvy Fintech Private Limited the Share and Transfer Agent of JPFL.

- b) In the event, the aforesaid issue and allotment of shares of UPIL results in fractional entitlements to the eligible shareholders, then as per **Para 13.3** of the Scheme, the Resulting Company (i.e. UPIL) shall not issue fractional shares to such member(s) but shall instead consolidate all such fractional entitlements to which such member(s) of the Demerged Company may be entitled on the issue and allotment of the equity shares of the Resulting Company, and thereupon the Resulting Company shall issue and allot the consolidated number of equity shares to a Trustee nominated by the Demerged Company and the Resulting Company in that behalf. The Trustee shall sell such shares and distribute the net sale proceeds (after deduction of applicable taxes and other expenses incurred) to the shareholders respectively "entitled to the same in proportion to their fractional entitlements;

- (iv) The equity shares issued and allotted by UPIL will be listed and/or admitted to trading on the BSE and NSE, where the equity shares of JPFL are listed and/or admitted to trading.

Thanking You,

Yours Truly,

For Jindal Poly Films Limited

  
Sanjeev Kumar  
Company Secretary  
ACS: 18087





सत्यमेव जयते  
GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS

Office of the Registrar of Companies  
Westcott Building, The Mall,, Kanpur, Uttar Pradesh, India, 208001

**Certificate of Incorporation pursuant to change of name**  
*[Pursuant to rule 29 of the Companies (Incorporation) Rules, 2014]*

Corporate Identification Number (CIN): U22222UP2011PLC103611

I hereby certify that the name of the company has been changed from JINDAL PHOTO IMAGING LIMITED to UNIVERSUS PHOTO IMAGINGS LIMITED with effect from the date of this certificate and that the company is limited by shares.

Company was originally incorporated with the name JINDAL PHOTO IMAGING LIMITED.

Given under my hand at Kanpur this Twelfth day of December two thousand nineteen.



Gauray Kumar

Registrar of Companies

RoC - Kanpur

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Mailing Address as per record available in Registrar of Companies office:

UNIVERSUS PHOTO IMAGINGS LIMITED

19th km,Hapur, Bulandshahr road,PO Guloathi, Bulandshahr ,Uttarpradesh - 245408, Bulandshahr,  
Bulandshahr, Uttar Pradesh, India, 245408



**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



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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>Authorized 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>

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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-term 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."



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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.



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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-1/ 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

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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;



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- 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 Petition 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)



CERTIFIED TO BE TRUE COPY  
OF THE ORIGINAL

*[Signature]*  
17/12/19  
S.A. MEHDI  
DESIGNATED REGISTRAR  
NATIONAL COMPANY LAW TRIBUNAL  
ALLAHABAD U.P.

Compared by me  
*[Signature]*  
17/12/19

FREE OF COST COPY

*[Handwritten mark]*

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**SCHEME OF ARRANGEMENT  
BETWEEN  
JINDAL POLY FILMS LIMITED  
AND  
JINDAL PHOTO IMAGING LIMITED  
AND  
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

(UNDER SECTION 230 TO 232 OF THE COMPANIES ACT, 2013)

**INTRODUCTION**

A. This scheme of arrangement (*hereinafter referred to as "Scheme", as more particularly defined in Clause 2.21 of this Scheme*) provides for demerger of Photo Films Business (*more particularly defined hereinafter in Clause 2.7 of this Scheme*) (*hereinafter also referred to as "Demerged Undertaking"*) of Jindal Poly Films Limited into Jindal Photo Imaging Limited, on a going-concern basis.

B. This Scheme is made in terms of provisions of section 230 to 232 read with section 66 and other relevant provisions of the Act (*more particularly defined hereinafter in Clause 2.1 of this Scheme*) together read with 2(19AA) and other relevant provisions of the IT Act (*more particularly defined hereinafter in Clause 2.15 of this Scheme*) as applicable.

C. Jindal Poly Films Limited (*hereinafter referred to as the "Demerged Company"*) is a public limited listed company duly incorporated under provisions of the Companies Act, 1956 (*hereinafter referred to as "1956 Act"*) on September 9, 1974, bearing corporate identity number L17111UP1974PLC003979 and having its registered office situated in the State of Uttar Pradesh at Bulandshahr. Demerged Company is primarily engaged in the following businesses:

(i) manufacturing of photographic, and medical films. Demerged Company has also invested in JPF Netherland BV, Amsterdam for carrying on business in overseas, mutual funds units and other money market instruments (*i.e. the "Photo Films Business" or "Demerged Undertaking", as more particularly defined hereinafter in Clause 2.7 of this Scheme*); and

(ii) manufacturing of BOPET Films and BOPP films (plain, metalized and coated) which are mainly used in flexible packaging industry and is a leading supplier of such films to leading global brand owners in food, beverages and confectionery (*herein after referred to as "Packaging Films Business" or "Remaining Undertaking" as more particularly defined in Clause 2.18 of this Scheme*).



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- (iii) **NONWOVEN MATERIAL FABRICATION:** Nonwoven roll goods used for manufacture of consumer products catering to hygiene and medical end uses. The hygiene segment end-products primarily consist of diapers, sanitary napkins, adult incontinence and wipes whereas the medical segment end-products consist of masks, caps, drapes, gowns, covers and shoe covers made of polypropylene spun bond fabric & spun melt (non-woven fabric)"

**D. Jindal Photo Imaging Limited (hereinafter referred to as the "Resulting Company")** is a public limited unlisted company duly incorporated under provisions of the 1956 Act on November 12, 2011 bearing corporate identity number U22222UP2011PLC103611 and having its registered office situated in the state of Uttar Pradesh at Bulandshahr. The Resulting Company was set-up for carrying on the business of manufacturing, selling, distributing, converting and producing, medical equipment's, x-ray films and devices computed radiography, cassettes, printers etc. **The business activities of Resulting Company compliments the business activities of Demerged Undertaking.** The Resulting Company is a wholly owned subsidiary company of the Demerged Company.

#### PARTS OF THIS SCHEME

This Scheme is divided into following parts:

**PART I** - This Part of the Scheme deals with rationale, definitions and share capital of the Companies;

**PART II** - This Part of the Scheme deals with transfer and vesting, legal proceedings, employees, consideration, accounting treatment etc. for demerger of Demerged Undertaking of Demerged Company into Resulting Company, on a going-concern basis; and

**PART III** - This Part of the Scheme deals with other general terms and conditions applicable to this Scheme.

#### PART I

##### RATIONALE FOR THE SCHEME

- 1.1. 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, is also carrying on 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



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necessary to demerge the Photo Films Business of the Demerged Company, as a going-concern, into the Resulting Company.

- 1.2. The Demerger of Photo Films Business or the Demerged' Undertaking of the Demerged Company into the Resulting Company will enable both companies to focus on their respective businesses, efficient management and control and to exploit business opportunities more efficiently and effectively.
- 1.3. 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.
- 1.4. 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 same proportion in which they hold shares in the Demerged Company, i.e, a 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 this Scheme. Thus, the rights and interests of the shareholders of the Demerged Company are safeguarded.

## 2. (A) DEFINITIONS

In the Scheme, unless repugnant to meaning or context thereof, following expressions shall have meanings as given below:

- 2.1. "Act" means the Companies Act, 2013 and applicable rules made there under and includes any amendments, statutory re-enactments and modifications thereof for the time being in force;
- 2.2. "Applicable Law(s)" means any relevant statute, notification, by-laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, schemes, notices, treaties, judgments, decree, approvals, orders or instructions enacted or issued or sanctioned by any Governmental and Registration Authority (more particularly defined hereinafter in Clause 2.13 of this Scheme), having the force of law and as applicable to both companies;
- 2.3. "Appointed Date" for purposes of this Scheme means April 1, 2019;
- 2.4. "Board" or "Board of Directors" means board of directors of respective companies to this Scheme, as the case may be and shall, unless it is repugnant to the context, include committees of directors or any person authorized by board of directors;
- 2.5. "Companies" shall mean Demerged Company and Resulting Company referred collectively;



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2.6. "Demerged Company" shall have a meaning as ascribed to it under Recital C of this Scheme above;

2.7. "Demerged Undertaking" or "Photo Films Business" means the Photo Films Business of the Demerged Company which would be transferred on a going concern basis to the Resulting Company on and from the Appointed Date. Without prejudice to the generality of the above, the Demerged Undertaking shall mean and include:

a) all assets pertaining to Photo Films Division of every kind, nature and description including movable property or immovable property (whether freehold, leasehold, leave and licensed, tenancies and otherwise), tangible or intangible assets, including strategic investment in JPF Netherland BV, Amsterdam, investments in the units of mutual funds and other money market instruments, Intellectual Property Rights (*more particularly defined hereinafter in Clause 2.14 of this Scheme*), computers and accessories, software and related data, leasehold improvements, plant and machinery, offices, capital work-in-progress, vehicles, furniture, fixtures, office equipment, electrical appliances, cash and cash equipment's and accessories pertaining to Photo Films Business of the Demerged Company;

b) All agreements, rights, contracts, entitlements, permits, licenses, approvals, consents, engagements, arrangements, activities, operations, approvals granted by the Reserve Bank of India ("RBI") related to overseas investments and all other privileges and benefits of every kind, if any, nature and description whatsoever relating to the Photo Films Business;

c) all debts (whether secured or unsecured) including but not limited to long-term and short-term borrowings, trade payables, trade creditors, long-term and short-term provisions, deferred tax liabilities, current liabilities (including contingent liabilities), cash credit, duties and obligations of the Photo Films Business of every kind, nature and description whatsoever and howsoever accruing or arising out of, and all loans and borrowings raised or incurred and utilized for its businesses, activities and operations, if any, pertaining to Photo Films Business and shall also include all other liabilities of whatsoever nature, amounts of which are categorized as general or multi-purpose borrowings of the Demerged Company to be transferred to the Resulting Company in the same proportion by which the value of assets to be transferred bear to the total value of assets of the Demerged Company immediately before the Demerger;

d) all accumulated business and tax losses and unabsorbed depreciation of the Demerged Company pertaining to the Photo Films Business, if any, in terms of provisions of Section 72A (4) of the IT Act (*more particularly defined hereinafter in Clause 2.15 of this Scheme*) and shall also comprise of all accumulated business and tax losses and unabsorbed depreciation, if any, of the



Demerged Company which do not directly pertain to the Photo Films Business, to be apportioned between the Demerged Company and the Resulting Company in terms of the provisions of Section 72A(4) (b) of the IT Act (*more particularly defined hereinafter in Clause 2.15 of this Scheme*).

- e) all legal proceedings of whatsoever nature by or against the Demerged Company, if any, pending as on the Appointed Date and relating to the Photo Films Business;
- f) all employees engaged in or relating to the Photo Films Business of the Demerged Company; and
- g) all the past track records relating to the Photo Films Business, including without limitation, the profitability, production volumes, experience, credentials, certifications, accreditations and market share pertaining to or relating to the Photo Films Business.

The details of the asset and liabilities comprising of the Demerged Undertaking or the Photo Films Business of the Demerged Company as appearing in the financial statements of the Demerged Company as at 30<sup>th</sup> Sept, 2018 is annexed as Schedule-I to this Scheme.

- 2.8. "Demerger" means the transfer and vesting of the Demerged Undertaking or the Photo Films Business of the Demerged Company on a going-concern basis to the Resulting Company in terms of this Scheme in its present form or with any modification(s) as approved by the Tribunal (*more particularly defined hereinafter in Clause 2.25 of this Scheme*);

- 2.9. "Effective Date" shall be last of the following dates on which:

- (i) the Companies have received observation letters/ no-objection letters from the Stock Exchanges (*more particularly defined hereinafter in Clause 2.24 of this Scheme*), pursuant to Regulation 37 of the Listing Regulations (*more particularly defined hereinafter in Clause 2.16 of this Scheme*) read with SEBI Circulars (*more particularly defined hereinafter in Clause 2.23 of this Scheme*);
- (ii) the requisite consent, approval or permission of the sectoral regulators, if any, as may be required under Applicable Laws;
- (iii) the requisite approval of respective shareholders and creditors of the Companies is obtained under section 230 of the Act; and
- (iv) the certified copies of the order of Tribunal (*more particularly defined hereinafter in Clause 2.25 of this Scheme*), under section 232 of the Act sanctioning this Scheme, is filed by the Companies with RoC (*more particularly defined hereinafter in Clause 2.20 of this Scheme*).



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Provided that references 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 **Effective Date**;

- 2.10. "**Encumbrance**" means (i) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance of any kind securing, or conferring any priority of payment in respect of any obligation of any person, including any right granted by a transaction which in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Laws; (ii) any proxy, power of attorney, voting trust agreement, interest, option, right of first offer, refusal or transfer restriction in favor of any person; and (iii) any adverse claim as to title, possession or use;
- 2.11. "**FEMA**" means the Foreign Exchange Management Act, 1999 along with the rules and regulations made there under and shall include any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force;
- 2.12. "**FEMA Regulations**" means Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2004 issued by the RBI under Notification No. FEMA 120/RB-2004 dated July 7, 2004, as amended from time to time;
- 2.13. "**Governmental and Registration Authority**" means any relevant Central, State or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, quasi-judicial body, bureau or instrumentality thereof or **arbitral body having jurisdiction over the Companies**;
- 2.14. "**Intellectual Property Rights**" means, whether registered or not, in the name of or recognized under Applicable Laws as being intellectual property of Demerged Company, or in the nature of common law rights of Demerged Company, all domestic and foreign (a) trademarks, service marks, brand names, internet domain names, websites, online web portals, trade names, logos, trade dress and all applications and registration for the foregoing and all goodwill associated with the foregoing and symbolized by the foregoing; (b) confidential and proprietary information and trade secrets; (c) published and unpublished works of authorship and copyrights therein, and registrations and applications therefor, and all renewals, extensions, restorations and reversions thereof; (d) computer software, programs (including source code, object code, firmware, operating systems and specifications) and processes; (e) designs, drawings, sketches; (f) tools, databases, frameworks, customer data, proprietary information, knowledge, any other technology or know-how, licenses, software licenses and formulas; (g) ideas and all other intellectual property or proprietary rights; and (h) all rights in all of the foregoing provided by Applicable Laws;



- 2.15. **"IT Act"** means the Income Tax Act, 1961 and the rules made there under and shall include any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force;
- 2.16. **"Listing Regulations"** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and shall include any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force as applicable to the Scheme;
- 2.17. **"Record Date"** means the date fixed by Board of Companies in respect of allotment/issuance of shares to the shareholders of Demerged Company as consideration for the transfer and vesting of Demerged Undertaking into the Resulting Company;
- 2.18. **"Remaining Business or Remaining Undertaking"** means Packaging Films Business and all undertakings, businesses, activities and operations of the Demerged Company other than the Demerged Undertaking or the Photo Films Business;
- 2.19. **"Resulting Company"** shall have a meaning as ascribed to it under Recital D of this Scheme;
- 2.20. **"RoC" or "Registrar of Companies"** means the Registrar of Companies for Kanpur;
- 2.21. **"Scheme" or "this Scheme" or "the Scheme"** means this scheme of arrangement in its present form as submitted to the Tribunal or this Scheme with such modification(s), if any, as may be directed by members and/or creditors of respective Companies or such modifications(s) as may be imposed by any Governmental and Registration Authority and accepted by Board of Companies and/or directed to be made by the Tribunal while sanctioning the Scheme;
- 2.22. **"SEBI"** means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992;
- 2.23. **"SEBI Circulars"** means Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 read with Circular No. CFD/DIL3/CIR/2017/105 dated September 21, 2017 and Circular No. CFD/DIL3/CIR/2018/2 dated January 3, 2018 each issued by SEBI, as amended or replaced from time to time;
- 2.24. **"Stock Exchanges"** means BSE Limited and National Stock Exchange of India Ltd, referred collectively; and
- 2.25. **"Tribunal"** means the National Company Law Tribunal, Allahabad Bench or such other court, tribunal, forum or authority having jurisdiction over Companies to sanction the Scheme involved in the Scheme, depending on the context and applicability.

## 2. (B) INTERPRETATION

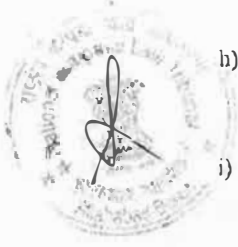


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Terms and expressions which are used in this Scheme but not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, and if not defined therein then under the relevant Applicable Laws. In this Scheme, unless the context otherwise requires:

- a) references to "persons" shall include individuals, bodies corporate (wherever incorporated), unincorporated associations and partnerships;
- b) heading, sub-heading and bold typeface are only for convenience and shall not affect the construction or interpretation of this Scheme;
- c) the term "Clause" refers to the specified clause of this Scheme;
- d) references to one gender includes all genders;
- e) Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms;
- f) words denoting singular shall include the plural and vice versa;
- g) reference to any legislation, statute, regulation, rule, notification or any other provision of law means and includes references to such legal provisions as amended, supplemented or re-enacted from time to time, and any reference to a legal provision shall include any subordinate legislation made from time to time under such a statutory provision.
- h) unless otherwise defined, the reference to the word "days" shall mean calendar days; and
- i) references to dates and times shall be construed to be references to Indian dates and times.



**3. SHARE CAPITAL**

The authorized, issued, subscribed and paid up share capital of Demerged Company as on March 31, 2018 is as under:

Authorized Share Capital	Amount (Rs.)
23,20,00,000 Equity Shares of Rs. 10/- each	232,00,00,000
3,00,00,000 Cumulative Redeemable Preference Shares of Rs 10/- each	30,00,00,000
<b>Total</b>	<b>262,00,00,000</b>
<b>Issued, Subscribed and fully Paid up Share Capital</b>	<b>Amount (Rs.)</b>



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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>

3.2. The authorized, issued, subscribed and paid up share capital of Resulting Company as on March 31, 2018 is as under:

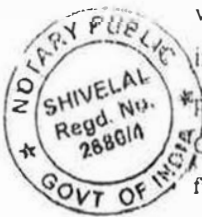
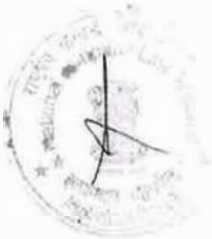
Authorized Share Capital	Amount (Rs.)
20,00,000 Equity Shares of Rs. 10/- each	2,00,00,000
<b>Total</b>	<b>2,00,00,000</b>
Issued, Subscribed and fully Paid up Share Capital	Amount (Rs.)
50,000 Equity Shares of Rs. 10/- each fully paid up	5,00,000
<b>Total</b>	<b>5,00,000</b>

3.3. It is expressly clarified that until this Scheme becomes effective, Companies are free to alter their authorized, issued, subscribed or paid up share capital as may be required for their respective business requirements, subject to the necessary approvals obtained from their respective Boards and shareholders, if required.

## PART II

### 4. TRANSFER AND VESTING OF ASSETS

4.1. Upon coming into effect of this Scheme and with effect from Appointed Date and subject to provisions of this Scheme including in relation to mode of transfer or vesting, the entire business and undertaking, all property(ies), being movable or immovable, tangible or intangible (whether under development or otherwise), pertaining to Demerged Undertaking or the Photo Films Business of the Demerged Company including but not limited to property, plant and equipment, furniture and fixtures, land and building, (whether freehold, leasehold, leave and licensed, right of way, tenancies and/or otherwise), any leasehold properties, all documents of title, rights and easements in relation thereto or improvements, bank balances, bank deposits against bank guarantees, interest accrued but not due on bank deposits, interest accrued on deposits, security deposits, cash and cash equivalents, cash imprest, sundry debtors, inter-branch balances, outstanding loans and advances (short-term and long-term), if any recoverable in cash or in kind or for value to be received including but not limited to loans and advances to suppliers, vendors,



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customers, staff, employees, others, balance with Governmental and Registration Authorities, service export scrips, prepaid expenses (*current and non-current*), fixed assets, inventories, advances, income tax receivables and refund, service tax credit receivables and refunds, Goods and Service Tax ("**GST**") receivables and refunds (*current and non-current*), capital advances, trade receivables, any unbilled revenue, accrued interest, other current and non-current assets, deferred tax assets, contribution to gratuity fund, permits, approvals, authorizations, telephone connections, telex, facsimile connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of all agreements that are in force on the Effective Date and all other interests, benefits, any other permits, approvals or authorizations under the applicable provisions of the tax laws (*including under the IT Act, Customs Act, 1962, Central Excise Act, 1944, State Sales Tax laws, Central Sales Tax Act, 1956, Value Added Tax, Service tax, Goods and Service Tax Act, 2016 and all other Applicable Laws*), all past and present investments (*in India or overseas*), if any, including but not limited to strategic investment in JPF Netherlands BV and investments in other quoted and unquoted equity shares, preference shares, optionally convertible preference shares, debentures and other securities of all descriptions of anybody corporate (*whether in India and elsewhere*), mutual funds etc. belonging to Demerged Undertaking or the Photo Films Business of Demerged Company and other assets such as computer software and hardware, peripherals, tools and dies, fan coolers, air conditioners, vehicles (*whether freehold or encumbered*), office equipment, lending contracts, benefit of any security arrangements, reversions, powers, authorities, allotments, approvals, consents, licenses, registrations, contracts, agreements, engagements, arrangements of all kind, rights, titles, interests, benefits, easements, if any, and privileges of whatsoever nature and wherever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favor of or enjoyed by Demerged Company which are pertaining to the Demerged Undertaking or the Photo Films Business (*hereinafter referred to as "Said Assets"*) and all documents of titles, receipts and easements in relation thereto, all rights, covenants, continuing rights, titles and interest in connection with Said Assets shall, unless otherwise agreed amongst Companies specifically, be transferred to and stand vested in and/or be deemed to be transferred to and stand vested in Resulting Company in the mode and manner as prescribed in this Scheme on a going concern basis pursuant to provisions of sections 230 to 232 of the Act and all other applicable provisions of the Act and pursuant to the order of the Tribunal sanctioning the Scheme, without any further act, instrument, document or thing so as to become on and from Appointed Date the Said Assets of the Resulting Company.

It is expressly clarified that, so far leasehold, leave and licensed properties pertaining to Demerged Undertaking or the Photo Films Business of the Demerged Company are concerned, if any, and subject to terms and conditions of the respective lease, leave and license agreements that have already been entered into between

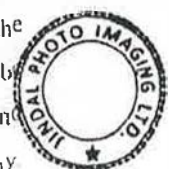
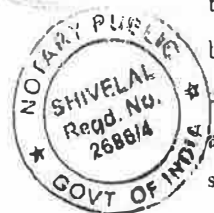


Demerged Company with any other third party before the Effective Date, the Resulting Company is expressly permitted to enter into fresh lease agreements and/or leave and license agreements, novate the existing lease agreements and/or leave and license agreements or terminate any lease agreements and/or leave and license agreements that are already in existence with any third party

- 4.2. In respect of Said Assets pertaining to Demerged Undertaking which are movable in nature or incorporeal property or are otherwise capable of being transferred by manual delivery or possession or by endorsement and/or by way of a delivery protocol, the same shall stand transferred to Resulting Company upon coming into effect of this Scheme pursuant to an order being made thereof by the Tribunal under section 232 of the Act without any further act, instrument, deed or need of executing any other instrument of conveyance.

It is further expressly clarified that all plant and machinery and fixed assets pertaining to the Demerged Undertaking installed at; (i) Unit No. I; (ii) Roll Film Unit No. II; and (iii) PPD (Photographic Papers Division) Unit located at Demani Road, Dadra – 396193, Dadra & Nagar Haveli (U.T.) are movable in nature and shall in no case be classified as benefits to arise out of land and things attached to the earth, or permanently fastened to anything attached to the earth.

- 4.3. Upon this Scheme becoming effective and with effect from the Appointed Date, all statutory licenses including but not limited to sponsor license, permits, quotas, approvals, permissions, clearances, incentives and all other business certifications and all other registration certificates issued to Demerged Company pertaining and to Demerged Undertaking or the Photo Films Business under Applicable Laws including without limitation, the Payment of Bonus Act, 1965, Contract Labour (Regulation and Abolition) Act, 1970, Payment of Gratuity Act, 1972, Employees Provident Fund and Miscellaneous Provisions Act, 1952, FEMA Regulations etc. or any subsidies, concessions, grants, special reservations, rights, claims, leases, tenancy rights, liberties, benefits under applicable provisions of the IT Act and other benefits or privileges, if any, (*hereinafter referred to as "Said Rights and Interests"*) enjoyed or conferred upon or held or availed of and all rights and benefits that have accrued or which may accrue to Demerged Undertaking or the Photo Films Business, shall, pursuant to provisions of section 232(4) of the Act and other applicable provisions of Applicable Laws, for the time being in force, without any further act, instrument or deed, be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in and be available to Resulting Company so to become the Said Rights and Interests of the Resulting Company on and from Appointed Date, effective and enforceable on the same terms and conditions to the extent permissible under Applicable Laws for the time being in force and shall be duly and appropriately mutated or endorsed by the concerned Governmental and Registration Authorities including the RBI therewith in favor of Resulting Company



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4.4. Upon this Scheme becoming effective and with effect from the Appointed Date, all Said Assets and Said Rights and Interests pertaining to the Demerged Undertaking of Demerged Company accrued to and/or acquired by Resulting Company after Appointed Date and prior to Effective Date shall have been or deemed to have been accrued to and/or acquired for and on behalf of Resulting Company and shall upon coming into effect of this Scheme, pursuant to the provisions of section 232 of the Act, without any further act, instrument or deed be and stand transferred to and vested in or be deemed to have been transferred to and vested in Resulting Company to that extent and shall become Said Assets and Said Rights and Interests of Resulting Company.

4.5. Upon coming into effect of this Scheme:

- (i) All vehicles (whether freehold or encumbered), of any nature whatsoever, belonging to Demerged Undertaking of the Demerged Company, shall stand transferred to and vested in and/ or be deemed to be transferred and vested in Resulting Company without any further act, instrument or deed or any further payment of fees, charge or securities and upon application being made by Resulting Company, the relevant Governmental and Registration Authorities shall mutate and register the said vehicles in the name of Resulting Company as if the vehicles had originally been registered in the name of Resulting Company without recording that the Resulting Company is the second or subsequent owner of such vehicles; and
- (ii) All Intellectual Property Rights pertaining to the Demerged Undertaking shall stand transferred to and vested in and be deemed to be transferred to and vested in the name of Resulting Company without any further act, instrument or deed. Resulting Company, however, shall after the effectiveness of this Scheme, file the relevant intimations with the concerned Governmental and Registration Authorities in relation to Demerger, if required, who shall take them on record.



The past track record of the Demerged Company relating to the Photo Films Business, including without limitation, the profitability, production volumes, experience, credentials and market share, shall be deemed to be the track record of the Resulting Company for all commercial and regulatory purposes including for the purpose of eligibility, standing, evaluation and participation of the Resulting Company in all existing and future bids, tenders and contracts of all authorities, agencies and clients.

#### 5. TRANSFER AND VESTING OF LIABILITIES

Upon coming into effect of this Scheme and with effect from Appointed Date all secured and unsecured liabilities, borrowings (long-term and short-term), including liabilities of every kind, nature and description, whatsoever and howsoever arising, whether present or future, including contractual liabilities, guarantees, (long-term and short term), security deposits received, loans, contingent liabilities, deferred tax



liabilities, non-trade payables, creditors of fixed assets, letters of credit, etc., if any, statutory liabilities/dues (*whether disputed or undisputed*), any kind of commitment or any other advances received (*whether disclosed or undisclosed*), duties, term loans from banks and financial institutions, bank overdraft, long term loan and advances from customers, statutory dues payable, government dues for taxes, outstanding contribution to provident fund, outstanding labour welfare funds, outstanding trade payables, outstanding trade creditors dues of micro and small enterprises, staff and other creditors, employee benefit payable, long term or short term provisions, advance from customers, sales invoice discounting, short term provisions including but not limited to gratuity, leave encashment and bonus, expenses payable, taxes and obligations, other current and non-current liabilities, if any, along with any charge, encumbrance, lien or security thereon, if any, and those arising out of proceedings of any nature (*hereinafter referred to as "Said Liabilities"*) of Demerged Company relating to the Demerged Undertaking shall also be transferred to and vested in or be deemed to be transferred to and stand vested, without any further act, instrument or deed in Resulting Company pursuant to provisions of section 230 to 232 of the Act and all other applicable provisions of Act and other Applicable Laws so as to become Said Liabilities of Resulting Company.

Further, it expressly clarified that it shall not be necessary to obtain separate consent of any third party or any person who is a party to any contract or arrangement by virtue of which such Said Liabilities may have arisen and are to be transferred to Resulting Company unless specific permission is required under the provisions of the Act.



- 5.2. Upon coming into effect of this Scheme and with effect from Appointed Date, if there are any general or multipurpose borrowings in the books of account of the Demerged Company, so much of the amount of the general or multipurpose borrowings, as standing in the same proportion in which the value of the assets transferred pursuant to the Scheme bears to the total value of the assets of the Demerged Company immediately before the Demerger, shall also stand transferred to the Resulting Company pursuant to the Scheme.



- 5.3. Upon coming into effect of this Scheme and with effect from Appointed Date, all loans raised and used and Said Liabilities incurred in respect of the Demerged Undertaking, if any, by the Demerged Company after Appointed Date, but prior to Effective Date, shall be deemed to be transferred to and vested with Resulting Company without any further act or deed.



- 5.4. Upon coming into effect of this Scheme and with effect from Appointed Date, the borrowing limits of Resulting Company shall, without any further act or deed, stand enhanced by an amount being the aggregate of Said Liabilities pertaining to Demerged Undertaking of Demerged Company which are being transferred to



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Resulting Company pursuant to this Scheme and Resulting Company shall not be required to pass any separate resolutions in this regard.

5.5. Upon coming into effect of this Scheme and with effect from Appointed Date, vesting of said Assets shall be subject to the existing securities, charges, hypothecation and mortgages, if any, subsisting in relation to any loans or borrowings pertaining to Demerged Undertaking, provided however, any reference in any security documents or arrangements to which the Demerged Company is a party, wherein the Said Assets of the Demerged Company have been or are offered or agreed to be offered as securities for any financial assistance or obligations, shall be construed as a reference to only the Said Assets pertaining to the Demerged Undertaking as are vested in the Resulting Company as per this Scheme. Provided further that the securities, charges, hypothecation and mortgages, if any, subsisting over and in respect of the Said Assets or any part thereof of the Resulting Company shall continue with respect to such Said Assets or part thereof and this Scheme shall not operate to enlarge such securities, charges, hypothecation and mortgages.

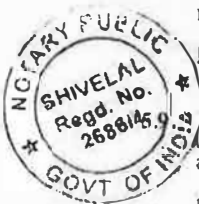
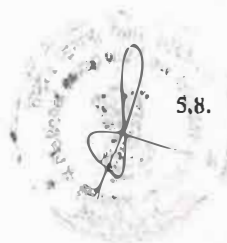
5.6. The Resulting Company, at its own cost, shall take all steps as may reasonably be necessary to enter into new or amended loan or security agreements or instruments and the like as may be necessary with the lender, such that Resulting Company shall assume sole responsibility for repayment of borrowings.

5.7. It is expressly clarified that in case of any question that may arise as to whether any particular asset or liability and/or employee pertains or does not pertain to the Demerged Undertaking of the Demerged Company, or whether it arises out of the activities or operations of the Demerged Undertaking, the same shall be decided by mutual agreement between Board of Directors of the Companies.

5.8. With effect from Effective Date and until such time names of the bank accounts of Demerged Company which are pertaining to Demerged Undertaking are replaced with that of the Resulting Company, the Resulting Company shall be entitled to operate the existing bank accounts of the Demerged Company, in so far, as may be necessary. The banks shall also honor cheques or other bills issued in the name of Demerged Company on and from Effective Date.

All profits or incomes including interest on deposits with banks, interest income etc., accruing or arising to Demerged Undertaking or expenditure or losses arising or incurred (including the effect of taxes, if any) by the Demerged Undertaking of on and any time after Appointed Date shall, for all purposes, be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses of the Resulting Company, as the case may be.

10. Upon the coming into effect of this Scheme and as per the provisions of section 72A(4) and other applicable provisions of the IT Act, all accumulated business and tax losses and unabsorbed depreciation, if any, of the Demerged Company pertaining



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to the Demerged Undertaking shall be transferred to the Resulting Company. Further, all accumulated business and tax losses and unabsorbed depreciation, if any, of the Demerged Company which do not directly pertain to the Demerged Undertaking shall be apportioned between the Demerged Company and the Resulting Company in the same proportion in which the assets of the undertakings have been retained by the Demerged Company and transferred to the Resulting Company in terms of the provisions of section 72A(4) (b) of the IT Act. It is expressly clarified that all the accumulated business and tax losses and unabsorbed depreciation as are transferred, shall be eligible to be carried forward and set off in the hands of the Resulting Company.

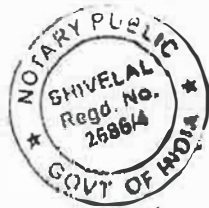
- 5.11. If any term or provision of this Scheme is found or interpreted to be inconsistent with any applicable provision of the IT Act at a later date including resulting from any amendment of Applicable Laws or for any other reason, whatsoever, then the provisions of such amended section(s) of the IT Act or any other Applicable Law shall prevail and this Scheme shall stand modified to the extent determined necessary to comply with conditions contained in Section 2(19AA) of the IT Act or any other Applicable Law, as may be amended from time to time. Such modification shall, however, not affect other parts of this Scheme.

## 6. LEGAL PROCEEDINGS

- 6.1. Upon coming into effect of this Scheme, all suits, actions and other proceedings including legal, taxation, arbitration, mediation and conciliation proceedings (*before any statutory or quasi-judicial authority or tribunal or any court or arbitral body*), if any, by or against the Demerged Company pertaining to the business of Demerged Undertaking pending and/or arising on or before Effective Date shall be continued and/or be enforced by or against the Resulting Company as effectually and in the same manner and extent as if the same has been instituted and/or pending and/or arising by or against the Resulting Company.

- 6.2. It is expressly specified that the Resulting Company undertakes to have all legal, taxation or other proceedings pertaining to Demerged Undertaking initiated by or against Demerged Company referred to in Clause 6.1 above, be transferred to its name and shall have the same continued, prosecuted and enforced in its name. The Companies shall make relevant applications and take steps as may be required in this regard.

- 6.3. In respect of all suits, actions and other proceedings including legal, taxation, arbitration, mediation and conciliation proceedings pertaining to the Demerged Undertaking and arising against the Demerged Company on or after the Effective Date, the Demerged Company shall give notice of such proceedings to the Resulting Company and the Resulting Company shall get such proceedings transferred to its



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name. Also, the Resulting Company hereby indemnifies the Demerged Company against any expense or loss incurred by the Demerged Company in such proceeding.

## 7. INTER COMPANY TRANSACTIONS

7.1. Without prejudice to any provisions of this Scheme, upon the Scheme becoming effective and with effect from Appointed Date, all inter-company transactions between Demerged Company pertaining to Demerged Undertaking and Resulting Company including but not limited to:

- (i) equity shares of Resulting Company held by the Demerged Company;
- (ii) any loans, advances, and other obligations (*including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form*), which are due or outstanding pertaining to the Demerged Undertaking or which may at any time in future become due between Demerged Company and Resulting Company; or
- (iii) any other agreement/memorandum of understanding, executed between Demerged Company pertaining to the Demerged Undertaking and the Resulting Company;

shall stand cancelled, extinguished and be of no effect as on Effective Date and the Demerged Company and the Resulting Company shall have no further obligation outstanding in that behalf.

## 8. TREATMENT OF TAXES

8.1. Upon this Scheme becoming effective, all taxes and duties payable by and accruing to the Demerged Company relating to the Demerged Undertaking, including all advance taxes, tax deduction at source ("TDS"), sales tax/value added tax, goods and service tax or any refunds or claims shall, for all purpose, be treated as advance tax payments, TDS, refunds or claims of the Resulting Company.

8.2. Upon the Scheme becoming effective, the Companies are permitted to file or revise their respective returns including but not limiting to TDS return, sales tax/value added tax returns, service tax returns, GST returns and all other relevant returns filed with the Governmental and Registration Authorities for the period commencing on and from the Appointed Date, to claim refunds and interest due, if any thereon, credits, exemptions pursuant to provisions of this Scheme, notwithstanding that the time period prescribed for filing/ revision of such return may have elapsed.

8.3. Upon this Scheme becoming effective, all unavailed credits, claims and exemptions, any refunds, interest due there on, benefit of carried forward losses and other statutory benefits, in respect of income tax (including but not limited to TDS, tax collected at source, advance tax and tax losses etc.), CENVAT credit, GST credit,



customs, value added tax, sales tax, service tax etc to which Demerged Undertaking of Demerged Company is entitled to, prior to the period of Appointed Date, shall without any further act or deed be available to and vest in Resulting Company.

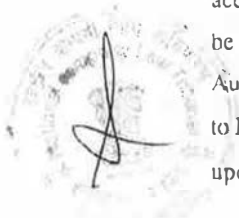
- 8.4. The obligation for deduction of TDS on any payment made by or to be made by the Demerged Company for the Demerged Undertaking under the IT Act, GST, service tax laws, or other applicable laws and/or regulations dealing with taxes, duties or levies shall be deemed to have been made and duly complied with on behalf of the Resulting Company.
- 8.5. All the expenses incurred by the Demerged Company and the Resulting Company in relation to the Scheme, including stamp duty expenses, if any, shall be allowed as deduction to each of the Demerged Company and the Resulting Company in accordance with Section 35DD of the IT Act over a period of 5 years beginning with the previous year in which the Scheme becomes effective.
- 8.6. Without prejudice to generality of aforesaid, any concessional or statutory forms under applicable tax laws or local levies issued or received by Demerged Company pertaining to Demerged Undertaking, if any, in respect of period commencing from Appointed Date shall be deemed to be issued or received in the name of Resulting Company and benefit of such forms shall be allowed to Resulting Company in the same manner and to the same extent as would have been available to Demerged Companies.
- 8.7. Any refund under tax laws due to Demerged Undertaking consequent to the assessments made on Demerged Company and for which no credit is taken in the accounts as on the date immediately preceding Appointed Date shall belong to and be received by Resulting Company. The concerned Governmental and Registration Authorities shall be bound to transfer to the account of and give credit for the same to Resulting Company upon the passing of the orders on this Scheme by the Tribunal upon the Scheme becoming effective.

## 9. TREATMENT OF EMPLOYEES

Upon coming into effect of this Scheme:

a) All staff, workmen and employees who are in employment of Demerged Company pertaining to Demerged Undertaking as on the Effective Date shall become staff, workmen and employees of Resulting Company with effect from Appointed Date on the basis that:

- (i) their employment shall be deemed to have been continuous and not interrupted by reasons of the Demerger; and



(ii) terms and conditions of their employment after Demerger shall not in any way be less favorable to them than those applicable to them immediately preceding the said transfer.

b) It is expressly provided that as far as provident fund, employee state insurance plan scheme, gratuity scheme/trusts, leave encashment, superannuation scheme, compensated absences, unavailed leave scheme or any other special scheme(s) or fund(s) or trust(s), provisions for benefits created or existing, if any, for the benefit of staff/workmen/employees of Demerged Undertaking belonging to the Demerged Company are concerned, upon coming into effect of the Scheme, the Resulting Company shall stand substituted for the Demerged Company for all purposes whatsoever, related to administration or operation of such scheme(s) or fund(s) or trust(s) to the end and intent that all rights, duties, powers and obligation(s) of the Demerged Company in relation to such scheme(s) or fund(s) or trust(s) shall become those of the Resulting Company. It is clarified that employment of employees pertaining to the Demerged Undertaking of the Demerged Company will be treated as having been continuous for the purpose of the aforesaid scheme(s) or fund(s) or trust(s) including for the purposes of payment of any retrenchment compensation and other terminal benefits.

c) The Resulting Company shall file relevant intimations with the concerned Governmental and Registration Authorities who shall take the same on record and endorse the name of Resulting Company for the Demerged Company. Upon this Scheme becoming effective, all contributions to such scheme(s) or fund(s) or trust(s) created or existing for the benefit of such employees pertaining to the Demerged Undertaking of the Demerged Company shall be made by the Resulting Company in accordance with the provisions of such scheme(s) or fund(s) or trust(s) and Applicable Laws.

#### 10. CONTRACTS, DEEDS, RESOLUTIONS, ETC.

10.1. Subject to other provisions contained in this Scheme, all contracts, deeds, understandings, bonds, guarantees, agreements, instruments and writings and benefits of whatsoever nature pertaining to Demerged Undertaking to which Demerged Company is a party and is subsisting or having effect as on the Effective Date, shall upon coming into effect of this Scheme, shall remain in full force and effect against or in favor of the Resulting Company and may be enforced by or against the Resulting Company as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party thereto or beneficiary or obligee thereto or thereunder.

Without prejudice to the generality of the foregoing, it is clarified that upon this Scheme becoming effective and with effect from Appointed Date, all consents,



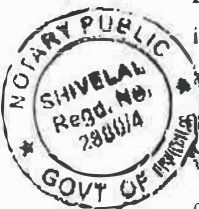
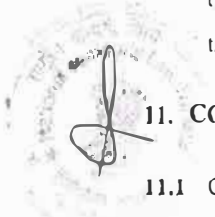
agreements, permissions, all statutory or regulatory licences, contractual licenses, certificates, insurance covers, clearances, authorities, power of attorney given by, issued to or executed in favor of Demerged Company and which are pertaining to the Demerged Undertaking or any instrument of whatsoever nature including various incentives, subsidies, schemes, special status and other benefits or privileges pertaining to Demerged Undertaking granted by any Governmental or Registration Authorities or by any other person and enjoyed or availed by the Demerged Company shall stand transferred to the Resulting Company as if the same were originally given by, issued to or executed in favor of the Resulting Company and the Resulting Company shall be bound by the terms thereof, the obligations and duties thereunder and the rights and benefits under the same shall be available to the Resulting Company. Insofar as the various incentives, subsidies, schemes, special status and other benefits or privileges pertaining to the Demerged Undertaking granted by any Governmental or Registration Authorities or by any other person, or availed by the Demerged Company are concerned, the same shall vest with and be available to the Resulting Company on the same terms and conditions as applicable to the Demerged Company as if the same had been allotted and/or granted and/or sanctioned and/or allowed to the Resulting Company.

- 10.3. Upon the Scheme becoming effective, all resolutions pertaining to Demerged Undertaking of Demerged Company which are valid and subsisting on Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Resulting Company and if any such resolutions have any upper monetary or any other limits imposed under provisions of the Act, then the said limits shall apply mutatis mutandis to such resolutions and shall constitute the aggregate of the said limits in Resulting Company. Further, the Resulting Company shall, in its own right, be entitled to realize all monies and complete and enforce all pending contracts and transactions in respect of the Demerged Undertaking.

## 11. CONDUCT OF BUSINESS TILL EFFECTIVE DATE

- 11.1 On and from the Appointed Date and up to and including the Effective Date, the Demerged Company shall be deemed to carry on all the businesses and other incidental matters pertaining to the Demerged Undertaking for and on account of and in trust for the Resulting Company with reasonable diligence and due business prudence and in the same manner as carried before and shall not without the prior written consent of the Resulting Company alienate, charge, mortgage, encumber or otherwise deal with or dispose of any of such Said Assets or such Said Rights and Interests and business undertaking(s) or any part thereof, save and except in each case:

- (i) If it is in the ordinary course of business of Demerged Company as on the date of filing this Scheme with the Tribunal; or



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(ii) If the same is expressly permitted by this Scheme.

11.2 All Said Assets and Said Rights and Interests pertaining to the Demerged Undertaking of the Demerged Company accrued to and/or acquired by the Demerged Company after the Appointed Date and prior to the Effective Date shall have been or deemed to have been accrued to and/or acquired for and on behalf of the Resulting Company and shall upon coming into effect of this Scheme and pursuant to provisions of section 232(4) of the Act, without any further act, instrument or deed be and stand transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company to that extent and shall become the Said Assets and the Said Rights and Interests of the Resulting Company.

## 12. SAVING OF CONCLUDED TRANSACTIONS

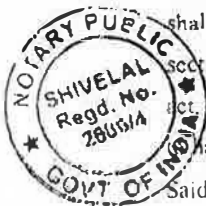
12.1 Where any of the Said Liabilities pertaining to the Demerged Undertaking of the Demerged Company as on the Appointed Date transferred to the Resulting Company have been discharged by the Demerged Company after the Appointed Date and prior to the Effective Date, such discharge of Said Liabilities shall be deemed to have been for and on account of the Resulting Company.

12.2 Without prejudice to anything mentioned above or anything contained in this Scheme, transfer and vesting of the Demerged Undertaking of the Demerged Company as per this Scheme shall not affect any transactions or proceedings already concluded by the Demerged Company on or before the Appointed Date or after the Appointed Date till the Effective Date, to the end and intent that the Resulting Company accepts and adopts all acts, deeds, matters and things made, done and executed by Demerged Company as acts, deeds, matters and things made, done and executed by or on behalf of Resulting Company.

12.3 All Said Liabilities pertaining to the Demerged Undertaking incurred or undertaken by the Demerged Company after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Resulting Company to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme and pursuant to provisions of section 232 and any other applicable provisions of the Act, shall without any further act, instrument or deed be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in the Resulting Company and shall become Said Liabilities of Resulting Company.

## 13. CONSIDERATION

13.1 Upon the coming into effect of the Scheme, and in consideration of the demerger of the Demerged Undertaking and transfer and vesting thereof with the Resulting Company, the Resulting Company shall, without any further act or deed and without any further payment, issue and allot the equity shares at par on a



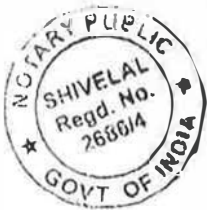
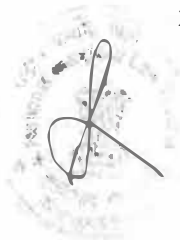
proportionate basis to each member of the Demerged Company whose name is recorded in the register of members of the Demerged Company as holding equity shares on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Demerged Company in the following proportion:

*"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 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."*

13.2 M/s S.S. Kothari Mehta & Co., Firm Regn. No. 000756N, has issued the report on the aforementioned share entitlement ratio. M/s 3 Dimension Capital Services Limited (SEBI Regn INM000012528), Category-I, Merchant Banker, has provided its fairness opinion on the aforesaid share entitlement ratio. The aforesaid share entitlement ratio and fairness opinion have been duly considered by the Board of the Companies;

13.3 In case any member's holding in the Demerged Company is such that the member becomes entitled to a fraction of an equity share of the Resulting Company in terms of Clause 13.1 above, the Resulting Company shall not issue fractional shares to such member(s) but shall instead consolidate all such fractional entitlements to which such member(s) of the Demerged Company may be entitled on the issue and allotment of the equity shares of the Resulting Company, and thereupon the Resulting Company shall issue and allot the consolidated number of equity shares to a trustee nominated by the Demerged Company and the Resulting Company in that behalf. The trustee shall sell such shares and distribute the net sale proceeds (after deduction of applicable taxes and other expenses incurred) to the shareholders respectively entitled to the same in proportion to their fractional entitlements;

13.4 The equity shares to be issued and allotted by the Resulting Company in terms of this Scheme shall be subject to the provisions of Memorandum and Articles of Association of the Resulting Company and shall rank pari-passu for dividend, voting rights and for all other benefits and in all other respects;



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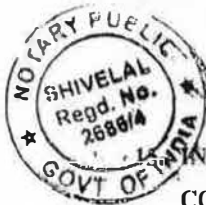
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- 13.5 The issue and allotment of equity shares, pursuant to clause 13.1 above is an integral part of this Scheme. The approval of this Scheme by the members of the Resulting Company shall be deemed to be due compliance with section 42, 62(1)(c) of the Act and other applicable provisions of the Act; and
- 13.6 The Resulting Company shall apply for listing of its equity shares including those issued in terms of clause 13.1 on Stock Exchanges immediately after receipt of the order of Tribunal as per applicable provisions of SEBI Circulars. The Resulting Company shall ensure that steps for listing of shares issued in terms of clause 13.1 of this Scheme are completed and trading in such shares commences within sixty days of receipt of the order of the Tribunal, simultaneously on all the Stock Exchanges.
- 13.7 The equity shares allotted pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated stock exchange.
- 13.8 There shall be no change in the shareholding pattern of the Resulting Company between the Record Date and the listing which may affect the status of the approval of the Stock Exchanges.

#### 14. REDUCTION OF SHARE CAPITAL OF RESULTING COMPANY

- 14.1. Simultaneous with the issue and allotment of new shares by the Resulting Company to the shareholders of the Demerged Company, in accordance with Clause 13 of the Scheme, in books of the Resulting Company, all the equity shares issued by Resulting Company to the Demerged Company and its nominee and held by them shall stand cancelled, extinguished and annulled, without any further act, instrument or deed. Such cancellation of share capital of the Resulting Company shall be effected as a part of the Scheme itself and not in accordance with Section 66 of the Act. The order of NCLT sanctioning the Scheme shall be deemed to be an order under Section 66 of the Act confirming the reduction and no separate sanction under Section 66 of the Act shall be necessary.



#### 15. INCREASE OF AUTHORIZED SHARE CAPITAL OF THE RESULTING COMPANY

- 15.1. Upon this Scheme becoming effective and before issuance of shares in terms of clause 13 of this Scheme, the Resulting Company shall increase its authorized Equity share capital so as to be sufficient to issue equity shares to the shareholders of the Demerged Company. The authorized share capital of the Resulting Company is Rs. 2,00,00,000 divided into 20,00,000 equity shares of Rs. 10/- each. The Resulting Company shall issue 1,09,46,604 equity shares of Rs. 10/- amounting to Rs. 1,09,46,604 in terms of clause 13.1 of this Scheme. Therefore pursuant to clause 13.1 and 14.1 of this Scheme, the authorized share capital of the



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Resulting Company shall be increased by an amount of Rs. 10,00,00,000. Accordingly, Clause V of the memorandum of association of the Resulting Company shall stand modified.

- 15.2. It is hereby clarified that the Resulting Company shall pay the prescribed fee to the RoC on increase in its authorized share capital as stated in clause 15.1 of this Scheme. It is further clarified that the consent of the Board of Directors and shareholders of the Resulting Company to the Scheme shall be sufficient for purposes of effecting amendment in the Memorandum of Association and Articles of Association of the Company and no resolution to be separately passed. However, the Resulting Company shall file the relevant e-forms with the RoC and amended copy of its memorandum of association and articles of association within a period of 30 days from the Effective Date and the RoC shall take the same on record.

## 16. ACCOUNTING TREATMENT

### 16.1 Accounting treatment in the books of the Demerged Company:

Pursuant to the Scheme coming into effect, with effect from Appointed Date of 1<sup>st</sup> April 2019, the Demerged Company shall account for the Demerger, in its books of account in accordance with the applicable accounting standards prescribed under section 133 of the Act and generally accepted accounting principles adopted in India in the following manner:

- (a) The Demerged Company shall transfer all assets and liabilities pertaining to the Demerged Undertaking as on the Appointed Date at the book values appearing in its books of account immediately before the Appointed Date and correspondingly reduce from its book of account, the book values appearing on such date in accordance with the provisions of section 2(19AA) of the IT Act.

Inter-company balances, if any, between Demerged Company and Resulting Company pertaining to the Demerged Undertaking shall stand cancelled.

Upon the scheme being effective, the investment of the Demerged Company in the Resulting Company shall stand cancelled.

- (d) Any surplus or deficit arising in the books of the Demerged Company after giving effect to the provisions of sub-clause (a) of this clause above, shall be adjusted against the reserve, appearing on Appointed Date in the books of the Demerged Company, as may be decided by the Board of Directors of Demerged Company.

- (c) Notwithstanding the above, the Board of Directors of the Demerged Company is authorized to account for any of these transactions/ balances in any manner whatsoever, as may be deemed fit, in accordance with applicable



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Indian Accounting Standard notified under The Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and generally accepted accounting principles adopted in India.

**16.2 Accounting treatment in the books of the Resulting Company:**

On effectiveness of the Scheme and with effect from the Appointed Date, since the Demerger involves entities which are ultimately owned by the same shareholders before and after the Demerger, the Resulting Company shall account for Demerger of the Demerged Undertaking in its books of accounts in accordance with applicable Indian Accounting Standards notified under The Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and generally accepted accounting principles adopted in India in the following manner:

(a) The Resulting Company shall recognise and measure all the identifiable assets and assumed liabilities, pertaining to the Demerged Undertaking transferred to and vested in the Resulting Company at the book value as appearing in the books of Demerged Company relating to Demerged Undertaking as on Appointed Date and in accordance with applicable Indian Accounting Standard notified under The Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and generally accepted accounting principles adopted in India.

(b) Upon issue and allotment of shares by the Resulting Company to the shareholders of the Demerged Company in consideration to the Demerger, the existing equity shares of the Resulting Company as held by the Demerged Company and by its nominee shall stand cancelled. Resulting Company shall credit its Share Capital Account with the aggregate face value of the new equity shares issued by the Resulting Company to the members of Demerged Company pursuant to Clause 13.1 of this Scheme. In respect of cancellation of shares held by Demerged Company, Resulting Company shall debit to its Equity Share Capital Account, the aggregate face value of existing equity shares held by Demerged Company in Resulting Company with a corresponding credit to the Capital Reserve of the Resulting Company.

(c) Any surplus/excess in the value of net assets of the Demerged Undertaking as transferred to the Resulting Company over the face value of the equity shares allotted by the Resulting Company shall be adjusted in accordance with applicable Indian Accounting Standards notified under The Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and generally accepted accounting principles adopted in India.

(d) Notwithstanding the above accounting treatment, the Board of Directors of the Resulting Company is authorized to account for any of these transactions/



balances in any manner whatsoever, as may be deemed fit, in accordance with applicable Indian Accounting Standards notified under The Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and generally accepted accounting principles adopted in India.

#### 17. REMAINING UNDERTAKING OF THE DEMERGED COMPANY

- 17.1. The Remaining Undertaking and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Demerged Company.
- 17.2. All legal, taxation or other proceedings whether civil or criminal (*including before any Governmental and Registration Authorities*) by or against the Demerged Company pertaining to the Remaining Undertaking under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter shall be continued and enforced by or against the Demerged Company after the Effective Date. The Resulting Company shall not in any event be responsible or liable in relation to any such legal, taxation or other proceeding against the Demerged Company and relates to the Remaining Undertaking.
- 17.3. If proceedings are taken against the Resulting Company in respect of the matters referred above, it shall defend the same in accordance with the advice of the Demerged Company and at the cost of the Demerged Company and the latter shall reimburse and indemnify the Resulting Company against all liabilities, damages and obligations incurred/borne by the Resulting Company in respect thereof.

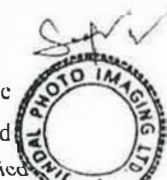
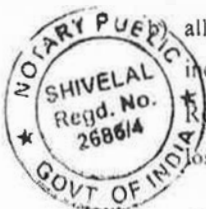
17.4. With effect from the Appointed Date and up to and including the Effective Date:

- a) the Demerged Company shall carry on and shall be deemed to have been carrying on all business and activities relating to the Remaining Undertaking for and on its own behalf;

b) all profits accruing to the Demerged Company thereon or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Undertaking shall, for all purposes, be treated as the profits or losses, as the case may be, of the respective Demerged Company;

- c) all taxes, duties, cess, if any, paid/payable by the Demerged Company pertaining to its Remaining Undertaking including all or any refunds/credit/claim, if any, shall be treated as a liability or refunds/credit/claim, as the case may be, of the Demerged Company; and

- d) all assets and properties acquired by the Demerged Company in relation to the Remaining Undertaking on and after the Appointed Date shall belong to and continue to remain vested in the Demerged Company. It is expressly clarified



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that the Board of the Demerged Company on or after the Appointed Date is free to dispose (*transfer, sale or extinguish*) any of their assets forming part of the Remaining Undertaking to any other person.

## 18. COMPLIANCES

- 18.1. The Demerged Company and Resulting Company will file necessary intimations with the RBI through authorized dealer bank under the provisions of FEMA Regulations for transfer and vesting of overseas investments of the Demerged Undertaking belonging to the Demerged Company into Resulting Company in accordance with the provisions of the Scheme.
- 18.2. The approval to this Scheme under sections 230 to 232 and other applicable provisions of the Act, by the shareholders and/or creditors of the Demerged Company pertaining to the Demerged Undertaking and Resulting Company shall be deemed to have the approval of the shareholders and/or creditors, as the case may be, under the applicable provisions of the Act, including but not limited to sections 4, 13, 14, 61, 64 and 66 of the Act and no separate procedure is required to be carried out.

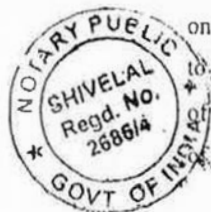
## 19. DIVIDEND

- 19.1. With effect from Appointed Date and up to and including Effective Date, Companies shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period(s) prior to Effective Date.
- 19.2. Until this Scheme becomes effective, shareholders of respective Companies shall continue to enjoy their existing rights under respective articles of association of such Companies including their right to receive dividend.
- 19.3. It is however clarified that the aforesaid provision in respect of declaration of dividend is an enabling provision only and shall not be deemed to confer any right on any shareholder of Companies to demand or claim any dividend which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Board of Companies and subject, wherever necessary, to the approval of the shareholders of Companies, respectively.

## PART III

## 20. MODIFICATION OR AMENDMENT TO THE SCHEME

- 20.1. Subject to approval by the Tribunal, Board of both the Companies may assent to any modifications / amendments including withdrawal/ termination of the Scheme or to any other conditions or limitations that the Tribunal or any Governmental and Registration Authority may deem fit to direct or impose or which may otherwise be



considered necessary, desirable or appropriate by their respective Boards. Each of Companies shall authorize their respective Boards to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or order of the Tribunal or any Governmental and Registration Authority of any other competent authority or otherwise howsoever arising out of or by virtue of the Scheme and/or to give effect to and to implement the Scheme, in part or in whole, and/or any matter concerned or connected therewith.

20.2. Further, it is clarified that the initial consent of the shareholders and creditors (both secured and unsecured) of Companies to this Scheme shall in itself be deemed to be sufficient to authorize the operation of Clause 20.1 of this Scheme and any subsequent alteration would not require a fresh note of consent from such shareholders and creditors.

**21. REVOCATION AND WITHDRAWAL OF THIS SCHEME**

21.1. Subject to order of the Tribunal, Board of Companies shall be entitled to revoke, cancel, withdraw and declare this Scheme to be of no effect at any stage including, if: (i) this Scheme is not being sanctioned by the Tribunal; (ii) if any of the consents, approvals, permissions, resolutions, agreements, sanctions and conditions required for giving effect to this Scheme are not obtained or for any other reason as Board of Companies may deem fit; (iii) in case any condition or alteration imposed by the Tribunal, Governmental and Registration Authority, shareholders and creditors of the Companies is not acceptable to the Board of the Companies; and (iv) Board of any of Companies are of view that upon coming into effect of this Scheme, in terms of the provisions of this Scheme or filing of the order with any Governmental and Registration Authority can have adverse implication on all or any of the Companies. On revocation, withdrawal, or cancellation, this Scheme shall stand revoked, withdrawn or cancelled, as the case may be, and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred inter-se between the Companies or their respective shareholders or creditors or employees or any other person, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with Applicable Laws and in such case, each party shall bear its own costs unless otherwise mutually agreed.

21.2. If any part of this Scheme is held invalid or is ruled illegal by the Tribunal or becomes unenforceable for any reason, whatsoever, whether under present or future laws, then it is the intention of the Companies that such part, in the opinion of the Board of any of the Companies, shall be severable from the remainder of this Scheme and the remaining part of this Scheme shall not be affected thereby, unless the deletion of such part, in opinion of Board of either of the Companies, shall cause this Scheme to become materially adverse to either of the Companies in which case



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the Companies shall attempt to bring about a modification in this Scheme, which will best preserve the benefits and obligations of this Scheme for the Companies, including but not limited to such part.

## 22. MISCELLANEOUS

22.1. In case any doubt or difference or issue arises between the Companies or any of their shareholders, creditors, employees or persons entitled to or claiming any right to any shares in any of the Companies, as to the construction of this Scheme or as to any account, valuation or apportionment to be taken or made in connection herewith or as to any other aspects contained in or relating to or arising out of this Scheme, the same shall be amicably settled among the Board of the respective Companies, and the decision arrived at therein shall be final and binding on all concerned parties.

## 23. COST, CHARGES AND EXPENSES

23.1. All costs, charges, taxes including duties, levies and all other expenses, if any arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne by the Demerged Company.

For Jindal Poly Films Limited

For Jindal Photo Imaging Limited

Sd/-

Sd/-

[ Sanjeev Kumar ]  
( Company Secretary )

[ Sagato Mukerji ]  
( Director )

Legal Consultants of the Scheme

*Vaish Associates, Advocates,  
11<sup>th</sup> Floor, Mohan Dev Building,  
13, Tolstoy Marg, New Delhi-110001*



Schedule-I

Table depicting details of assets and liabilities of the Demerged Undertaking of Demerged Company to be transferred based on the financial statements available as per last quarterly reporting period as at 30<sup>th</sup> September 2018:

Particulars	Amount (Rs. in Lakhs)
<b>Assets</b>	
Non-Current Assets	1,150.19
Current Assets	10,169.92
<b>Total</b>	<b>11,320.11</b>
<b>Equity</b>	
Other Equity	10,081.59
<b>Liabilities</b>	
Non Current Liabilities	796.20
Current Liabilities	442.32
<b>Total</b>	<b>11,320.11</b>



*S. A. Mehdi*  
 17/12/19  
 S. A. MEHDI  
 DESIGNATED REGISTRAR  
 NATIONAL COMPANY LAW TRIBUNAL  
 ALLAHABAD U.P.

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Schedule of Properties / Assets of the Transferor Company as on 1<sup>st</sup> April, 2019

**Schedule I**

**(Description of the Immovable Properties of the Transferor Company)**

- (1) Freehold Property :  
Freehold Factory Land comprising of Unit No. I, Roll Film Unit No. II and PPD Unit and including residential units of staff aggregate measuring 42467 Sqm. survey number 260/23 at Sheetal Industrial Estate, Demani Road, Dadra-396193, Dadra & Nagar Haveli (U.T.).
- (2) Leasehold Property ;  
Leasehold Factory Land including residential units of staff aggregate measuring 80 Kanals at J&K SIDCO, Phase I, IGC Samba, Samba (Jammu).

**Schedule II**

**(Description of Investments)**

- (1) 4115428 Shares of JPI Netherlands BV of Face Value 0.01 Euro each.
- (2) Investment in Mutual Fund Units.

Particulars	Units
ABSL Banking & PSU debt Fund	4,19,518
ABSL Banking & PSU debt Fund	2,09,679
ABSL Corp Bond Fund	13,90,014
Axis Banking & PSU Debt Fund	45,347
IDFC Bond Fund- Short Term Plan	25,85,295
SBI magnum ultra short duration debt fund	24,649
ICICI Prudential Corporate Bond Fund	77,43,894
ICICI Banking & PSU debt Fund	47,83,064
HDFC Corporate Bond Fund	47,89,341
ABSL Corp Bond Fund	13,90,623
Kotak Credit Risk Fund	41,08,801

Carrying Value of Net Assets as at 1st April 2019

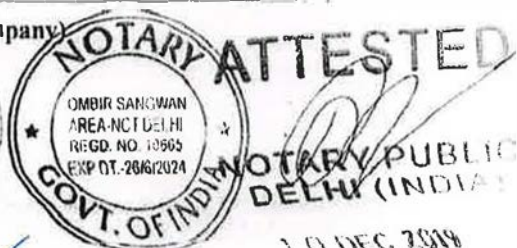
Particulars	Amt (In Lakhs)
Property, Plant and Equipment	1,042.31
Inventories	1,253.46
Trade Receivables	599.94
Investments in Shares	29.02
Investments in Mutual Fund Units	10,823.50
Cash and Bank Balances	181.65
Other Financial Assets	299.56
Other Current Assets	111.31
Trade Payables	(199.48)
Other Non-Current Liabilities	(563.45)
Other Financial Liabilities	(47.31)
Other Current liabilities	(101.80)
<b>Net Assets</b>	<b>13,428.69</b>



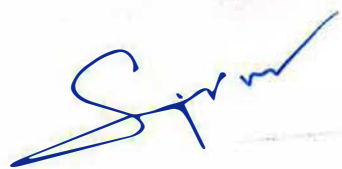
  
 17/12/19  
 S.A. MEHDI  
 DESIGNATED REGISTRAR  
 NATIONAL COMPANY LAW TRIBUNAL  
 ALLAHABAD U.P.

  
 Director

For Jindal Poly Films Limited (Transferor Company)



10 DEC 2019





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