JINDAL PHOTO LIMITED

[Corporate Identity No.L33209DN2004PLC000198]
Registered Office: 260/23, Sheetal Industrial Estate, Demani Road
Dadra – 396193, Dadra & Nagar Haveli (U.T.)
Phone Nos.: 0260-2668371,372,308,379 Fax No: 0260-2668354
Head Office: 11/5-B, Basement, Opp. Telephone Exchange
Pusa Road, New Delhi – 110005.
Phone No.: 011-25767000 Fax No: 011-25767029
Email: cs_jphoto@jindalgroup.com, Website: www.jindalphoto.com

COURT CONVENED MEETING OF THE SECURED CREDITORS

DAY : Thursday

DATE : 13.08.2015

TIME : 03:30 PM

VENUE : Registered Office of Jindal Photo Limited at 260/23, Sheetal Industrial Estate, Demani Road, Dadra – 396193, Dadra & Nagar Haveli (U.T.).

S. No.	CONTENTS	Page No.
1.	Notice of Court Convened Meeting of the Secured Creditors of Jindal Photo Limited.	2
2.	Explanatory Statement under Section 393 of the Companies Act, 1956.	3 - 12
3.	Scheme of Arrangement between Jindal Photo Limited and Jindal Poly Films Limited and their respective Shareholders and Creditors.	13 - 34
4.	Fairness Opinion dated 12.01.2015 of M/s SPA Capital Advisers Limited, independent merchant banker on the Valuation Report.	35 - 48
5.	Complaints Report submitted to the National Stock Exchange of India Limited and BSE Limited dated 17th February, 2015 and 19th February, 2015 respectively.	49 - 52
6.	Observation Letters issued by the National Stock Exchange of India Limited and BSE Limited dated 12.03.2015 and 11.03.2015 respectively.	53 - 58
7.	Form of Proxy	59
8.	Attendance Slip	-

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 507 OF 2015

IN THE MATTER OF THE COMPANIES ACT, 1956 (1 OF 1956);
AND
IN THE MATTER OF APPLICATION UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956;
AND
IN THE MATTER OF SCHEME OF ARRANGEMENT BETWEEN JINDAL PHOTO LIMITED, ('THE DEMERGED COMPANY');
AND
JINDAL POLY FILMS LIMITED ('THE RESULTING COMPANY');
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS.

Jindal Photo Limited [CIN L33209DN2004PLC000198], a company incorporated under the Companies Act, 1956, having its registered office at 260/23, Sheetal Industrial Estate, Demani Road, Dadra – 396193, Dadra & Nagar Haveli (U.T.), Phone No: :0260-2668371,372,308,379, Fax No: 0260-2668354, Email: cs_jphoto@jindalgroup.com, Website: www.jindalphoto.com **…Applicant/ Demerged Company**

NOTICE CONVENING MEETING OF THE SECURED CREDITORs OF JINDAL PHOTO LIMITED.

To
The Secured Creditors of Jindal Photo Limited
(the "Company").

TAKE NOTICE that by an Order made on the 26th day of June, 2015 and modified further Order dated 3rd July, 2015, the Hon'ble High Court of Judicature at Bombay, has directed that a meeting of the Secured Creditors of the Company (**"Meeting"**), be held at Registered Office of the Company at 260/23, Sheetal Industrial Estate, Demani Road, Dadra – 396193, Dadra & Nagar Haveli (U.T.), on Thursday, the 13th day of August, 2015 at 03:30 P.M., for the purpose of considering, and if thought fit, approving with or without modification(s), the Scheme of Arrangement between Jindal Photo Limited and Jindal Poly Films Limited and their respective shareholders and creditors (the **"Scheme"**).

TAKE FURTHER NOTICE that in pursuance of the said Order, a meeting of the Secured Creditors of the Company will be held at the Registered Office of the Company at 260/23, Sheetal Industrial Estate, Demani Road, Dadra – 396193, Dadra & Nagar Haveli (U.T.), on Thursday, the 13th day of August, 2015 at 03:30 P.M., when you are requested to attend.

TAKE FURTHER NOTICE that you may attend and vote at the Meeting in person or by proxy, provided that a proxy in the prescribed form, duly signed by you, is deposited at the Registered Office of the Company at 260/23, Sheetal Industrial Estate, Demani Road, Dadra – 396193, Dadra & Nagar Haveli (U.T.), not later than 48 hours before the commencement of the Meeting.

The Hon'ble High Court of Judicature at Bombay has appointed Mr. Kamal Jain, Director and failing him, Mr. S.K. Mittal, Director to be the Chairperson of the said meeting.

A copy of the Scheme, statement under Section 393 of the Companies Act, 1956 and form of Proxy are enclosed.

Dated this 3rd day of July, 2015

Sd/-
Kamal Kumar Jain
(Chairperson appointed for the meeting)

Note: All alterations in the Form of Proxy should be initialed.

IN THE HIGH COURT OF JUDICATURE OF BOMBAY AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 507 OF 2015

IN THE MATTER OF THE COMPANIES ACT, 1956 (1 OF 1956);
AND
IN THE MATTER OF APPLICATION UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956;
AND
IN THE MATTER OF SCHEME OF ARRANGEMENT BETWEEN JINDAL PHOTO LIMITED, ('THE DEMERGED COMPANY');
AND
JINDAL POLY FILMS LIMITED ('THE RESULTING COMPANY');
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS.

Jindal Photo Limited [CIN L33209DN2004PLC000198], a company incorporated under the Companies Act, 1956, having its registered office at 260/23, Sheetal Industrial Estate, Demani Road, Dadra – 396193, Dadra & Nagar Haveli (U.T.)

…Applicant/ Demerged Company

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956 ("ACT)

1. Pursuant to an Order dated 26th June, 2015 and modified further Order dated 3rd July, 2015, passed by the Hon'ble High Court of Judicature at Bombay **["Hon'ble High Court"]** in Company Summons for Direction No. 507 of 2015, the Hon'ble High Court has directed the convening of the following meetings :-

i. Meeting of the Equity Shareholders of Jindal Photo Limited **[Applicant/ Demerged Company]** to be held on Thursday, 13.08.2015 at 01.00 PM at the Registered Office of the Applicant/ Demerged Company at 260/23, Sheetal Industrial Estate, Demani Road, Dadra – 396193, Dadra & Nagar Haveli (U.T.);

ii. Meeting of the Secured Creditors of Jindal Photo Limited **[Applicant/ Demerged Company]** to be held on Thursday, 13.08.2015 at 03:30 PM at the Registered Office of the Applicant/ Demerged Company at 260/23, Sheetal Industrial Estate, Demani Road, Dadra – 396193, Dadra & Nagar Haveli (U.T.); for the purpose of considering and if thought fit, approving with or without modification(s), the Scheme of Arrangement between Jindal Photo Limited **[Applicant/ Demerged Company]** and Jindal Poly Films Limited **[Resulting Company]** and their respective Shareholders and Creditors **("Scheme")**.

2. The Hon'ble High Court by the said Order dated 26th June, 2015 and modified further Order dated 3rd July, 2015 dispensed with the requirement of convening the meetings of the Preference Shareholders and Unsecured Creditors of the Applicant/ Demerged Company, to consider the Scheme. The said Order dated 26th June, 2015 and modified further Order dated 3rd July, 2015 will be available for inspection at the Registered Office of the Applicant/ Demerged Company at 260/23, Sheetal Industrial Estate, Demani Road, Dadra – 396193, Dadra & Nagar Haveli (U.T.), on all working days between 10:00 AM and 5:00 PM upto one day before the date of the meetings. A copy of the Scheme is enclosed.

3. PARTICULARS OF THE APPLICANT/ DEMERGED COMPANY

a. Jindal Photo Limited, the Applicant/ Demerged Company was incorporated under the Act in the name of Consolidated Photo Products Limited vide certificate of incorporation dated 15.03.2004 issued by the Registrar of Companies, U.P. and Uttaranchal, Kanpur. Subsequently, the name of the Applicant/ Demerged Company was changed to Jindal Photo Limited and a fresh certificate of incorporation consequent on change of name dated 13.12.2004 was issued by the Registrar of Companies, U.P. and Uttaranchal. The registered office of the Applicant/ Demerged Company was changed from the state of Uttaranchal to the Union Territory of Dadra & Nagar Haveli and such alteration was confirmed by an order dated 03.07.2006 passed by the Company Law Board, Northern Region Bench, New Delhi ("CLB") in C.P. No. 59/17/2006-CLB. A certified copy of the aforesaid CLB order was registered by the Registrar of Companies, U.P. and Uttaranchal, Kanpur on 28.07.2006 and by the Assistant Registrar of Companies, Gujarat on 03.08.2006. The Applicant/ Demerged Company is presently engaged inter-alia in the manufacture of photographic and medical products by converting big size jumbo rolls into saleable sizes through various manufacturing process like de-refrigerating, slitting etc. The product range includes manufacturing of Photographic Color Paper, Thermal Printer Media, Medical X-Ray Films & Non Tearable White Opaque film. The Equity Shares of the Applicant/ Demerged Company are listed on the Bombay Stock Exchange Limited (**BSE**) and the National Stock Exchange of India Limited (**BSE**).

b. The main objects of the Applicant/ Demerged Company as set out in its Memorandum of Association are as under:

"*1. To carry on the business of manufacturing, converting, producing; processing, assembling, treating, making, taking on hire, otherwise acquiring, blending, formulating, packing, finishing, buying, selling, distributing, marketing, importing, exporting, fabricating or otherwise dealing in all types, grades, kinds, sizes and descriptions of photographic products like colour/black and white photographic papers, roll films, cinema film, X-ray film, graphic art film, other film and allied products like photographic chemicals, reagents, substances, equipments, instruments, accessories, raw materials and things for audiovisual communications, film production, image and document production, copying and information gathering, recording and processes related to photography, motion pictures.*

2. To carry on the business of manufacturing, buying, selling, importing, exporting, assembling, creating, producing, preparing, repairing, converting, treating, altering, letting on hire, marketing, distributing and otherwise dealing in all types and descriptions of cameras, movie cameras, flash guns, lighting sets sound recording and reproducing machines and equipments, cinema overhead projectors, mini projectors, portable projectors, sound and film projection systems, colour photo machines, colour photo lab equipments and machines and all kind of spares, parts, accessories, components, tools, equipment, and apparatuses.

3. To carry on the business of manufacturing, converting, producing, processing, assembling, treating, making, blending, finishing, repairing, distributing, marketing or otherwise dealing in all types and descriptions of video cassettes both blank as well as recorded, video cassette recorders/players, editing tables, video cameras, multi cassette recording decks, video studios and the equipments thereof, colour television sets, video-scopes, video-scope screens, monitors and all kinds of accessories, spares, parts, components, tools, equipments, and apparatuses.

4. To carry on the business manufacturing, buying, selling, converting, assembling, preparing, repairing, packing, blending, marketing, distributing and otherwise dealing in all kinds, descriptions and types of electrical/ electronic/mechanical/ automatic photocopying machines, electrostat machines, zerox copying machines, typewriter ribbons, teleprinter ribbons and rolls, continuous stationery, intercom and other communications machines and all types of chemicals, substances, spares, components, accessories, tools, equipments, instruments, apparatuses and the like used with or in connection to any of the above things."

c. The share capital structure of the Applicant/ Demerged Company as on 31.03.2015 is as under:

Share Capital	Amount in Rupees
Authorized Capital	
1,05,50,000 equity shares of Rs.10/- each	10,55,00,000
4,80,00,000 preference shares of Rs.10/- each	48,00,00,000
Total	58,55,00,000
Issued, Subscribed and Paid-up	
1,02,58,326 equity shares of Rs.10/- each	10,25,83,260
4,74,00,000 [0% Redeemable Non-convertible] preference shares of Rs.10/- each	47,40,00,000
Total	57,65,83,260

There has been no material change in the share capital structure of the Applicant/ Demerged Company subsequent to 31.03.2015.

4. PARTICULARS OF THE RESUTING COMPANY

a. Jindal Poly Films Limited, the Resulting Company was incorporated under the Act under the name Hindustan Pipe Udyog Limited vide Certificate of Incorporation dated 09.09.1974 issued by the Registrar of Companies, U.P., Kanpur. The name of the Resulting Company was changed to Jindal Polyester & Steel Limited and a fresh Certificate of Incorporation consequent on change of name dated 10.04.1992 was issued by the Registrar of Companies, U.P., Kanpur. Subsequently, the name of the Resulting Company was changed to Jindal Polyester Limited and a fresh Certificate of Incorporation consequent on change of name dated 17.01.1995 was issued by the Registrar of Companies, U.P., Kanpur. The name of the Resulting Company was further changed to Jindal Poly Films Limited and a fresh Certificate of Incorporation consequent on change of name dated 19.04.2004 was issued by the Registrar of Companies, U.P. & Uttaranchal, Kanpur. The Registered Office of the Resulting Company is situated at 19th K.M., Hapur – Bulandshahr Road, P.O. – Gulaothi, Distt – Bulandshahr, Uttar Pradesh. The Resulting Company is presently engaged inter-alia in the following key business :-

   A. BOPET Film: It find application in photographic/X-ray, electronics, printing, textile, pre-press back up films, for photo voltaic cells used for generating solar power and office supplies, motor insulations photopolymer plates and document lamination, packaging metallic yarn, cables, transformers, capacitors, audio/video tape, hot stamping foils, release films, decorative ribbons and labels etc.

   B. BOPP Film: Better moisture retention properties render BOPP Film more suitable for food products like snack foods, biscuits, pasta, dried foods and woven polypropylene bags.

   C. Metallised Films: Vacuum deposition of Aluminium on BOPET and BOPP films increases the barrier properties of such films. Besides flexible packaging metallised BOPET films is used for metallic yarn. Metallised BOPP is widely used for gift wrapping.

   D. Coated Films: PVDC coated BOPP and BOPET films are used in the flexible packaging industry.

   E. Polyester Chips: manufacturing polyester chips.

The Equity Shares of the Resulting Company are listed on the BSE and the NSE.

b. The main objects of the Resulting Company as set out in its Memorandum of Association are as under:

"1. To carry on business as manufactures, importers, exporters of and dealers in polymers, monomers, elastomers and resins of all types, grades and copolymer formulations and in all forms such as resins/chips, powder, flakes, granuales, films sheets, tubes, pipes, fibres, laminates or as processed goods and including specifically polyethelene, polypropylene, polymethyl, ploystyrene, polyvinyle-acetate, methacrylate, expoxy resins, alkide resins melamine, polyesters such as polyethelene, terephthallate and polyethelene, isophthallate, or any other or new substances being improvements upon, modifications of or being derived from additions to petrochemicals or other products or resulting from any process.

2. To carry on the business of manufacturers, spinners, weavers, doublers, ginners, pressers. packers, balers, importers, exporters, buyers, sellers and dealers of polyester resins/chips, polyproplene resin/chips, nylon chips/moulding powder, polyester yarn of all kinds, polypropylene yam of all kinds, nylon yarn of all kinds, polymers, chemical and synthetic fibres, staple fibre, and any other man made fibre, rayon yarn namely viscose, filament rayon, continuous filament yarn or artificial silk yarn, acrylic fibre or alcohol fibre, synthetic and/or natural fibres and fibrous materials and the production thereof and all by-products of substances and the business of bleaching, printing, dyeing, combing, knitting, cleaning and dealing in yarn, fabric cloth, linen and other goods, and fabrics whether textile, netted or looped and other goods or merchandise made therefrom, and to transact all manufacturing or curing, finishing and preparing process in connection therewith.

3. To carry on the business of manufacturing, producing, processing, buying, selling, importing,- exporting, distributing and otherwise dealing in all kinds of films, tapes, discs, cassettes and other electronic products including but not limited to Audio, Video and Computer tapes, f loppy discs, U-Matic tapes/ Cassettes and to carry on the processes of metallising, lacquering, coating, laminating, printing, micro-slitting, substraction, conversion and develop various accessories equipment and allied products including all ancillaries and auxiliaries concerning the aforesaid activities and all types, grades, kinds, sizes and descriptions of photographic products like colour/ black and white photographic papers, roll films, cinema film, X-ray film, graphic art film, other film and allied products like photographic chemicals, reagents, substances, equipments, instruments, raw materials, image and document production colour photo machines, colour photo lab equipments and machines and all kind of spares, parts, accessories, components, tools, equipments, and apparatuses.

4. To promote, establish, acquire and run or otherwise carry on the business of plastic industry or business of manufactures, processors and finishers and dealers of plastic products and materials, thermoplastic and thermosetting and other articles of things and similar or allied products or processes and to sell, purchase or otherwise acquire or deal in materials or things m connection with such trade, industry or manufacture and to do all things as are usual or necessary in relation to or in connection with business or industry or manufacture.

5. To carry on the business as manufacturers, processors, refiners, smelters, makers, converters, furnishers, rerollers, importers, exporters, agents, merchants, buyers, sellers or dealers in all kind of Steel including mild, high carbon, spring, high speed, tool, alloy steel, stainless and special steels, strips, sheets, coils, wires, flats, plates, blooms, bars, slabs, squares, structurals, tubes, poles, pipes, castings, ingots, pillets, billets and other materials made wholly or partly of steel, steel alloys and metals.

6. To purchase or otherwise acquire, manufacture, refine, treat, reduce, distill, blend, purify and pump for mine, bore, extract, process, buy, market, distribute, exchange, supply, sell and otherwise dispose off, import, export and trade and generally deal in all kinds of petroleum and other mineral oils, whether crude or refined, petroleum products, petrochemicals, gases and other volatile substances, sulphur, asphalt, clays, bitumen, bituminous substances, carbon, carbon black and all

other hydrocarbon and mineral substances, hutylenes, propylenes, ethylenes, Liquified Petroleum Gases, Aromatic Hydrocarbons, lubricating oils and waxes, butadienes, phosphates, nitrates, coal ores and minerals and in general sub oil products and subsurface deposits of every nature and description and the products or the bye products which may be derived, produced, prepared, developed, compounded, made or manufactured therefrom or therewith and substances obtained by mixing any of the foregoing with other substances.

7. *To carry on the business of manufactures or processors and/or importers, exporters, buyers, sellers, stockists and distributors of and/or dealers in Styrene Butadiene Rubber (SBR), Poly Butadiene Rubber (PBR), Acrylonitrile Butadiene Copolymer Rubber (NER), Elastomers including Thermo Plastic Elastomers (TPE), natural rubber, latexes, chemicals, raw materials, intermediates, wastes and recycle streams required for manufacture of SBR, PBR, NBR, TPE and all other type of synthetic rubber including carbon black master batches and carbon black, all kinds of articles and merchandise manufactured from synthetic rubber and chemicals including tyres, conveyor belts, transmission belts, rubber moulded products, rubber based footwear, microcellur sheets plantation of natural rubber, port facilities of storage and handling of styrene, Butadine, Acrylonitrile and all other chemicals and liquid petroleum gases; all kinds of plant and machinery utilities, equipments required for manufacture of one or more types of synthetic rubber and products thereof.*

8 (a) *"To establish, operate and maintain power generating stations and tie Lines, sub-stations and main transmission lines connected therewith and/or to carry on in India or elsewhere the business to generate, receive, produce, improve, buy, sell, resell, acquire, use, transmit, accumulate, employ, distribute, develop, handle, protect, supply, and/or to act as agent, broker, representative, consultant, collaborator or otherwise to deal in electric power at such place or places as may be permitted by law."*

(b) *"To operate and maintain such generating stations, tie Lines, sub-stations and main transmission Lines as assigned to it by the competent Government or Governments."*

c. The share capital structure of the Resulting Company as on 31.03.2015 is as under:

Share Capital	**Amount in Rupees**
Authorized Capital	
8,00,00,000 Equity Shares of Rs.10/- each	80,00,00,000
100,000,000 Preference Shares of Rs.10/- each	100,00,00,000
Total	**180,00,00,000**
Issued, Subscribed and fully paid-up	
42,047,713 Equity Shares of Rs.10/- each	42,04,77,130
Total	**42,04,77,130**

There has been no material change in the Share Capital structure of the Resulting Company after 31.03.2015.

5. BACKGROUND AND RATIONALE TO THE SCHEME

The transfer of the Demerged Undertaking (being the undertaking carrying out the business of manufacture, production, sale and distribution of Photographic products and as more particularly defined in the Scheme) from the Applicant/ Demerged Company to the Resulting Company pursuant to the Scheme shall be in the interest to both the Applicant/ Demerged Company and the Resulting Company in the following ways:

(i) In order to effectively and efficiently cater to the independent growth plans (both through organic and inorganic means) for each of the businesses of the Applicant/ Demerged Company, diversification and continuous funding support through equity and debt is imperative.

(ii) Therefore, it has been proposed to re-organize the businesses of the Applicant/ Demerged Company in such a manner as to facilitate greater efficiency in cash management and unfettered access to cash flow generated to maximize shareholder value.

(iii) Accordingly it has been proposed to demerge the Demerged Undertaking (as defined in the Scheme) of the Applicant/ Demerged Company into the Resulting Company.

(iv) The corporate restructuring of the Applicant/ Demerged Company involving the demerger of the Demerged Undertaking (as defined in the Scheme) shall help to develop potential for further growth and diversification, to have better synergy and optimization of resources with the existing business of Resulting Company as well as to facilitate fund raising and development for the manufacturing business of the Applicant/ Demerged Company. The demerger is expected to facilitate the running of the manufacturing business of the Applicant/ Demerged Company with Resulting Company more efficiently and profitably with a greater and focused approach.

(v) The transfer and vesting of the Demerged Undertaking into the Resulting Company, with effect from the Appointed Date (as defined in the Scheme) is in the interest of the shareholders, creditors and all other stakeholders of the Companies, and shall not in any manner be prejudicial to the interests of concerned shareholders and creditors or the general public at large. The restructuring under this Scheme shall unlock shareholder value in the businesses of the Applicant/ Demerged Company.

6. Accordingly, the Board of Directors of the Resulting Company and the Applicant/ Demerged Company have approved and adopted the Scheme at their respective Board Meetings held on January 12, 2015.

7. SALIENT FEATURES OF THE SCHEME

The salient features of the Scheme are as follows :-

A. The Appointed Date under the Scheme is 01 April 2014.

B. The Effective Date under the Scheme is such of the last date when certified copies of the order of the respective High Courts sanctioning the Scheme are filed by the Applicant/ Demerged Company with the Registrar of Companies, Gujarat or the Resulting Company with the Registrar of Companies, U.P & Uttranchal.

C. The Scheme provides:

i) for transfer of all assets, immoveable properties, permits, licenses etc. relating to the Demerged Undertaking (as more particularly defined in the Scheme) and their consequent vesting in the Resulting Company;

ii) that all debts, liabilities, loans, borrowings etc. relating to the Demerged Undertaking shall be deemed to be the debts, liabilities, loans, borrowings etc. of the Resulting Company;

iii) that all employees of the Applicant/ Demerged Company engaged in relation to the Demerged Undertaking shall become the employees of the Resulting Company without any interruption of service and on such terms and conditions that are no less favorable than those on which they are currently engaged by the Applicant/ Demerged Company;

iv) that all applications, goodwill, licenses, trade names etc. that pertain to the Demerged Undertaking shall be transferred to and vest in the Resulting Company;

v) that all contracts pertaining exclusively to the Demerged Undertaking shall stand transferred to and vested in the Resulting Company and be in full force and effect in favour of the Resulting Company and may be enforced by or against it as if, instead of the Applicant/ Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto.

vi) that all proceedings pertaining to the Demerged Undertaking may be prosecuted, continued and enforced, by or against the Resulting Company in the same manner and to the same extent as

they would or might have been continued, prosecuted and enforced by or against the Applicant/ Demerged Company.

D. The Scheme further provides that upon the Scheme becoming effective, every equity shareholder of the Applicant/ Demerged Company shall be entitled to receive 10 equity share of Rs. 10/- each of the Resulting Company for every 59 equity shares of Rs. 10/- each, held in the Applicant/ Demerged Company.

(The aforesaid are only the salient features of the Scheme. You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof).

8. The rights and interests of the members and creditors of the Applicant/ Demerged Company shall not be prejudiced in any manner by the Scheme.

9. No investigation proceedings have been instituted or are pending in relation to the Applicant/ Demerged Company under Section 235 to 251 of the Act or such other equivalent provisions of the Companies Act, 2013 as applicable.

10. The details of the present directors of the Applicant/ Demerged Company and their shareholding in each of the Applicant/ Demerged Company **(A)** and the Resulting Company **(B)** either singly or jointly as on 31.05.2015 is as follows:

S. No	Name of Director	Age (Yrs.)	Position	Equity shares held in	
				A	B
1.	Mr. Shammi Gupta DIN: 00006384	43	Managing Director	NIL	NIL
2.	Mr. Krishnasamy Ramaswamy Iyer DIN: 02276762	58	Whole Time Director	24	NIL
3.	Mr. Kamal Kumar Jain DIN:00649522	54	Independent Director	1	14
4.	Mr. Shiv Kumar Mittal DIN:00006460	71	Independent Director	NIL	NIL
5.	Mr. Uttam Garodia DIN: 03129180	34	Independent Director	NIL	NIL

11. The details of the present directors of the Resulting Company and their shareholding in each of the Applicant/ Demerged Company **(A)** and Resulting Company either singly or jointly as on 31.05.2015 is as follows:-

S. No	Name of Director	Age (Yrs.)	Position	Equity shares held in	
				A	B
1.	Mr. Radha Krishna Pandey DIN: 00190017	75	Independent Director	NIL	NIL
2.	Mr. Hemant Sharma DIN: 05235723	52	Non-Executive Director	NIL	NIL
3.	Mr. Sanjay Mittal DIN:01327274	51	Whole Time Director	NIL	NIL
4.	Ms. Sumita Dhingra DIN: 06929317	40	Whole Time Director	NIL	100
5.	Mr. Suresh Dattatraya Gosavi DIN: 07015202	60	Whole Time Director	NIL	NIL
6.	Mr. Anil Kumar Goel DIN:07195300	62	Independent Director	NIL	NIL

12. The Scheme does not propose any change in the share capital structure of the Applicant/ Demerged Company pursuant to the Scheme becoming effective .

	Demerged Company	
Share Capital	**Pre-arrangement (as on 31ST March, 2015)**	**Post-arrangement (expected)**
	In Rs.	**In Rs.**
Authorized Share Capital		
equity shares of Rs.10/- each	10,55,00,000	10,55,00,000
preference shares of Rs.10/- each	48,00,00,000	48,00,00,000
Total	**58,55,00,000**	**58,55,00,000**
Issued, Subscribed and Paid-up		
equity shares of Rs.10/- each	10,25,83,260	10,25,83,260
preference shares of Rs.10/- each	47,40,00,000	47,40,00,000
Total	**57,65,83,260**	**57,65,83,260**

13. The pre-arrangement and post arrangement (expected) share capital structure of the Resulting Company is as follows:-

	Resulting Company	
Share Capital	**Pre-arrangement (as on 31ST March, 2015)**	**Post-arrangement (expected)**
	In Rs.	**In Rs.**
Authorized Share Capital		
equity shares of Rs.10/- each	80,00,00,000	80,00,00,000
preference shares of Rs.10/- each	100,00,00,000	100,00,00,000
Total	**180,00,00,000**	**180,00,00,000**
Issued, Subscribed and Paid-up		
equity shares of Rs.10/- each	42,04,77,130	43,78,64,130

14. The current equity shareholding pattern of the Applicant/ Demerged Company is as follows:-

Category of Shareholder	Pre-arrangement		Post-arrangement	
	No. of Shares	**% of holding**	**No. of Shares**	**% of holding**
Promoters	7459815	72.72	7459815	72.72
Public	2798511	27.28	2798511	27.28
Total	**10258326**	**100.00**	**10258326**	**100.00**

15. The pre-arrangement and post arrangement (expected) equity shareholding pattern of the Resulting Company is as follows:-

Category of Shareholder	Pre-arrangement		Post-arrangement	
	No. of Shares	**% of holding**	**No. of Shares**	**% of holding**
Promoters	31378752	74.63	32643141	74.55
Public	10668961	25.37	11143272	25.45
Total	**42047713**	**100.00**	**43786413**	**100.00**

16. The Scheme is conditional and subject to necessary sanctions and approvals as set out in the Scheme.

17. Upon the conclusion of the Equity Shareholder and Secured Creditor meetings of the Applicant/ Demerged Company, the Applicant/ Demerged Company will file Petition under Sections 391-394 and other applicable provisions of the Act with the Hon'ble High Court of Bombay for sanction of the Scheme.

18. In terms of the order dated 01.04.2015 passed by the Hon'ble High Court of Judicature at Allahabad in Company Application No.10 of 2015 with respect to the Resulting Company, separate meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Resulting Company were convened to consider the Scheme. The Equity Shareholders, Secured Creditors and Unsecured Creditors of the Resulting Company have approved the Scheme and the Resulting Company is in the process of filing Company Petition before the Hon'ble High Court of Judicature at Allahabad for sanction of the Scheme .

19. The Directors and Key Managerial Personnel (KMP) of the Applicant/ Demerged Company and the Resulting Company may be deemed to be concerned and/or interested in the Scheme only to the extent to their shareholding in the respective companies, or to the extent of common directorship in the said companies or to the extent the said directors, KMP and relatives of directors and the KMP are the partners, directors, members of the companies, body corporate and/or beneficiary of trust that hold shares in any of the Applicant/ Demerged Company and the Resulting Company.

20. Under Section 391 of the Act, the proposed Scheme will have to be approved by a majority in number, representing three-fourth in value of the Equity Shareholders and Secured Creditors of the Applicant/ Demerged Company, present and voting, either in person or proxy at the respective meetings. A Form of Proxy is enclosed.

21. It is in the interest of the Equity Shareholders and Secured Creditors of the Applicant/ Demerged Company that the said Scheme should be approved. Accordingly, at the meeting of the Equity Shareholders and Secured Creditors of the Applicant/ Demerged Company, the following resolutions will be moved pursuant to the notice :-

"RESOLVED THAT pursuant to the provisions of Sections 391-394 and other applicable provisions, if any of the Companies Act, 1956 and subject to the approval of the Hon'ble High Court of Judicature at Bombay and subject to other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the Hon'ble High Court of Judicature at Bombay, consent be and is hereby accorded to the Scheme of Arrangement among Jindal Photo Limited and Jindal Poly Films Limited and their respective Shareholders and Creditors.

RESOLVED FURTHER THAT the Board of Directors of the Company including duly constituted Committee thereof, be and are hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary to have the Scheme approved by the High Court of Judicature at Bombay and other relevant authorities (as may be required), to effectively implement the arrangement embodied in the Scheme and to accept such modifications and/or conditions, if any, which may be required and/or imposed by the High Court of Judicature at Bombay and/or other relevant authorities, including to file relevant applications and make appropriate representations in respect thereof, and take all necessary steps in the matter as they may in their absolute discretion deem necessary, desirable or expedient to give effect to the above resolution, and to settle any questions, doubts and difficulties that may arise in this regard and incidental thereto.

RESOLVED FURTHER THAT the Board of Directors of the Company and/or a duly constituted Committee of Directors be and are hereby authorized to delegate all or any of their powers herein conferred, to any Director(s) or any other officer(s)/authorized representative(s) of the Company to give effect to the aforesaid resolution."

22. An Equity Shareholder and Secured Creditor of the Applicant/ Demerged Company entitled to attend and vote at the respective meetings, is entitled to appoint a proxy to attend and vote. The instrument appointing the proxy should be deposited at the Registered Office of the Applicant/ Demerged Company not later than 48 (forty eight) hours prior to the time of commencement of the respective meeting.

23. Corporate Equity Shareholders and Corporate Secured Creditors of the Applicant/ Demerged Company intending to send their authorized representative to attend the respective meetings are requested to lodge a certified true copy of the Board Resolution/Power of Attorney/ Authority Letter authorizing such person to attend and vote on its behalf, not later than 48 (forty eight) hours before the time of commencement of the respective meeting, at the Registered Office of the Applicant/ Demerged Company.

24. The following documents will be open for inspection by the Equity Shareholders and Secured Creditors of the Applicant/ Demerged Company upto one day prior to the date of the respective meetings at the Registered Office of the Applicant/ Demerged Company between 10.00 AM and 5.00 PM on all working days (Monday to Friday).

a. Copy of Company Summons for Direction No.507 of 2015 filed by the Applicant/ Demerged Company;
b. Copy of Company Application No.10 of 2015 filed by the Resulting Company;
c. Copy of the order dated 26th June, 2015 and modified further Order dated 3rd July, 2015 of the Hon'ble High Court of Judicature at Bombay in the above referred Company Application;
d. Copy of the order dated 01.04.2015 of the Hon'ble High Court of Judicature at Allahabad in Company Application No.10 of 2015 filed by the Resulting Company;
e. Copy of the Memorandum and Articles of Association of the Applicant/ Demerged Company and the Resulting Company;
f. Copy of the audited accounts of the Applicant/ Demerged Company and the Resulting Company as on 31.03.2015;
g. Copy of Scheme of Arrangement between Jindal Photo Limited and Jindal Poly Films Limited and their respective Shareholders and Creditors;
h. Copy of the Recommendation on the Share Exchange Ratio dated 12.01.2015 of M/s Haribhakti & Co. LLP;
i. Copy of the Fairness Opinion dated 12.01.2015 of M/s SPA Capital Advisors Limited, independent merchant banker;
j. Audit Committee Report dated 12th January, 2015;
k. Copy of the Board Resolution dated 12.01.2015 of the Applicant/ Demerged Company;
l. Copy of the Board Resolution dated 12.01.2015 of the Resulting Company;
m. Complaints Report dated 17th February, 2015 and 19th February, 2015 submitted to the NSE and BSE;
n. Copy of the Observation Letters dated 11.03.2015 and 12.03.2015 issued by the BSE and NSE respectively.

25. This Statement may be treated as the Statement under Section 393 of the Act. A copy of the Scheme and this Statement may also be obtained by any Equity Shareholder and Secured Creditor of the Applicant/ Demerged Company upto one day prior to the date of the respective meetings at the Registered Office of the Applicant/ Demerged Company between 10.00 AM and 5.00 PM on all working days (Monday to Friday).

For **Jindal Photo Limited**

Ashok Yadav
Company Secretary
ACS-14223

Place : New Delhi
Dated : 3rd July, 2015

SCHEME OF ARRANGEMENT
UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956
BETWEEN
JINDAL PHOTO LIMITED : DEMERGED COMPANY AND
JINDAL POLY FILMS LIMITED : RESULTING COMPANY
THEIR RESPECTIVE SHAREHOLDERS
AND
THEIR RESPECTIVE CREDITORS

PART I
INTRODUCTION. DEFINITIONS AND INTERPRETATION

1. INTRODUCTION, DEFINITIONS AND INTERPRETATION

1.1 INTRODUCTION

1.1.1 Jindal Photo Limited

(i) Jindal Photo Limited (hereinafter referred to as "the Demerged Company") having CIN L33209DN2004PLC000198 was incorporated under the Companies Act, 1956 on March 15, 2004 in the name of Consolidated Photo Products Limited (with its registered office in the state of Uttaranchal) vide certificate of incorporation issued by the Registrar of Companies, U.P. and Uttaranchal, Kanpur. Consolidated Photo Products Limited was issued a certificate for commencement of business on March 26, 2004 by the Registrar of Companies, U.P. and Uttaranchal, Kanpur. Subsequently, Consolidated Photo Products Limited's name was changed to Jindal Photo Limited and a fresh certificate of incorporation consequent on change of name was issued by the Registrar of Companies, U.P. and Uttaranchal, Kanpur on December 13, 2004.

(ii) The registered office of the Demerged Company was changed from the state of Uttaranchal to the Union Territory of Dadra & Nagar Haveli and such alteration was confirmed by an order of the Company Law Board, Northern Region Bench, New Delhi ("CLB") bearing C.P. No. 59/17/2006-CLB dated July 3, 2006. A certified copy of the aforesaid CLB order was registered by the Registrar of Companies, U.P. and Uttaranchal, Kanpur on July 28, 2006 and by the Asstt. Registrar of Companies, Gujarat on August 3, 2006.

(iii) The registered office of the Demerged Company is situated at 260/23, Sheetal Industrial Estate, Demani Road, Dadra - 396193, Dadra & Nagar Haveli (U.T.). .

(iv) The main objects of the Demerged Company as per its memorandum of association are as follows:

1. To carry on the business of manufacturing, converting, producing, processing, assembling, treating, making, taking on hire otherwise acquiring, blending, formulating, packing, finishing, buying, selling distributing, marketing, importing, exporting, fabricating or otherwise dealing in all types, grades, kinds, sizes and descriptions of photographic products like color/black and white photographic papers, roll films, cinema film, X-ray film, graphic an film, other film and allied products like photographic chemicals, reagents, substances, equipment, instruments, accessories, raw materials and things for audiovisual communications, film production, image and document production, copying and information gathering, recording and processes related to photography, motion pictures.

2. *To carry on the business of manufacturing, buying, selling, importing, exporting, assembling, creating, producing, preparing, repairing, converting, treating, altering, letting on hire, marketing, distributing and otherwise dealing in all types and descriptions of cameras, movie cameras, flash guns, lighting sets sound recording and reproducing machines and equipment, cinema overhead projectors, mini projectors, portable projectors, sound and film projection systems, color photo machines, color photo lab equipment and machines and all kind of spares, parts, accessories, components, tools, equipment, and apparatuses.*

3. *To carry on the business of manufacturing, converting, producing, processing, assembling, treating, making, blending, finishing, repairing, distributing, marketing or otherwise dealing in all types and descriptions of video cassettes both blank as well as recorded, video cassette recorders/players, editing tables, video cameras, multi cassette recording decks, video studios and the equipment thereof, color television sets, video-scopes, video- scope screens, monitors and all kinds of accessories, spares, pans, components, tools, equipment, and apparatuses.*

4. *To carry on the business manufacturing, buying, selling, converting, assembling, preparing, repairing, packing, blending, marketing,-distributing and otherwise dealing in all kinds, descriptions and types of electrical/ electronic/mechanical/automatic photocopying machines, electro stat machines, zerox copying machines, typewriter ribbons, tele printer ribbons and rolls, continuous stationery, intercom and other communications machines and all types of chemicals, substances, spares, components, accessories, tools, equipment, instruments, apparatuses and the like used with or in connection to any of the above things. Company by Special Resolution passed in 2nd A.G.M. held on 30.09.2005 authorized to carry on business covered by sub clause 1 to 91 of the other object clause III C of the Memorandum.*

(v) The Demerged Company is presently engaged *inter-alia* in the manufacture of photographic and medical products by converting big size jumbo rolls into saleable sizes thru various manufacturing process like de-refrigerating, slitting etc. The product range includes manufacturing of Photographic Color Paper, Thermal Printer Media, Medical X-Ray Films & Non Tearable White Opaque film.

(vi) The equity shares of the Demerged Company are listed on BSE Limited and the National Stock Exchange of India Limited.

1.1.2 Jindal Poly Films Limited

(i) Jindal Poly Films Limited (hereinafter referred to as "the Resulting Company") was incorporated under the Companies Act, 1956 (hereinafter referred to as the "Act") on September 9, 1974 in the name of Hindustan Pipe Udyog Limited vide certificate of incorporation no. 3979 of 1974 issued by the Registrar of Companies, U.P., Kanpur. Hindustan Pipe Udyog Limited was issued a certificate for commencement of business on September 21, 1974 by the Registrar of Companies, U.P., Kanpur.

(ii) Hindustan Pipe Udyog Limited's name was changed to Jindal Polyester & Steel Limited and a fresh certificate of incorporation consequent on change of name no.3979/RC/412 was issued by the Registrar of Companies, U.P., Kanpur on April 10, 1992. Subsequently, Jindal Polyester & Steel Limited's name was changed to Jindal Polyester Limited and a fresh certificate of incorporation consequent on change of name was issued by the Registrar of Companies, U.P., Kanpur on January 17, 1995. Jindal Polyester Limited's name was further changed to Jindal Poly Films Limited and a fresh certificate of incorporation consequent on change of name was issued by the Registrar of Companies, U.P. & Uttaranchal, Kanpur on April 19, 2004.

(iii) The registered office of the Resulting Company is situated at 19th K.M., Hapur -Bulandshahr Road, P.O. - Gulaothi, Distt - Bulandshahr, Uttar Pradesh.

(iv) The main objects of the Resulting Company as per its memorandum of association are as follows:

1) *To carry on business as manufactures, importers, exporters of and dealers in polymers, monomers, elastomers and resins of all types, grades and copolymer formulations and in all forms such as resins/chips, powder, flakes, granules, films sheets, tubes, pipes, fibers, laminates or as processed goods and including specifically polyethylene, polypropylene, polymethyl, ploystyrene, polyvinyle-acetate, methacrylate, expoxy resins, alkide resins melamine, polyesters such as polyethylene, terephthalate and polyethylene, isophthallate, or any other or new substances being improvements upon, modifications of or being derived from additions to petrochemicals or other products or resulting from any process.*

2) *To carry on the business of manufacturers, spinners, weavers, doublers, ginners, pressers. packers, balers, importers, exporters, buyers, sellers and dealers of polyester resins/chips, polypropylene resin/chips, nylon chips/molding powder, polyester yarn of all kinds, polypropylene yarn of all kinds, nylon yarn of all kinds, polymers, chemical and synthetic fibers, staple fiber, and any other man made fiber, rayon yarn namely viscose, filament rayon, continuous filament yam or artificial silk yarn, acrylic fiber or alcohol fiber, synthetic and/or natural fibers and fibrous materials and the production thereof and all by-products of substances and the business of bleaching, printing, dyeing, combing, knitting, cleaning and dealing in yam, fabric cloth, linen and other goods, and fabrics whether textile, netted or looped and other goods or merchandise made therefrom, and to transact all manufacturing or curing, finishing and preparing process in connection therewith.*

3) *To carry on the business of manufacturing, producing, processing, buying, selling, importing,-exporting, distributing and otherwise dealing in all kinds of films, tapes, discs, cassettes and other electronic products including but not limited to Audio, Video and Computer tapes, floppy discs, U-Matic tapes/ Cassettes and to carry on the processes of metallizing, lacquering, coating, laminating, printing, micro-slitting, subtraction, conversion and develop various accessories equipment and allied products including all ancillaries and auxiliaries concerning the aforesaid activities and all types, grades, kinds, sizes and descriptions of photographic products like color/ black and white photographic papers, roll films, cinema film, X-ray film, graphic art film, other film and allied products like photographic chemicals, reagents, substances, equipment, instruments, raw materials, image and document production color photo machines, color photo lab equipment and machines and all kind of spares, parts, accessories, components, tools, equipment, and apparatuses.*

4) *To promote, establish, acquire and run or otherwise carry on the business of plastic industry or business of manufactures, processors and finishers and dealers of plastic products and materials, thermoplastic and thermosetting and other articles of things and similar or allied products or processes and to sell, purchase or otherwise acquire or deal in materials or things m connection with such trade, industry or manufacture and to do all things as are usual or necessary in relation to or in connection with business or industry or manufacture.*

5) *To carry on the business as manufacturers, processors, refiners, smelters, makers, conveners, furnishers, rerollers, importers, exporters, agents, merchants, buyers, sellers or dealers in all kind of Steel including mild, high carbon, spring, high speed, tool, alloy steel, stainless and special steels, strips, sheets, coils, wires, flats, plates, blooms, bars, slabs, squares, structural, tubes, poles, pipes, castings, ingots, pillets, billets and other materials made wholly or partly of steel, steel alloys and metals.*

6) *To purchase or otherwise acquire, manufacture, refine, treat, reduce, distill, blend, purify and pump for mine, bore, extract, process, buy, market, distribute, exchange, supply, sell and otherwise dispose off, import, export and trade and generally deal in all kinds of petroleum and other mineral oils, whether crude or refined, petroleum products, petrochemicals, gases and other volatile substances, sulphur, asphalt, clays, bitumen, bituminous substances, carbon, carbon black and all other hydrocarbon and mineral substances, hutylenes, propylenes, ethylenes, Liquified Petroleum Gases, Aromatic Hydrocarbons, lubricating oils and waxes, butadienes, phosphates, nitrates,*

coal ores and minerals and in general sub oil products and subsurface deposits of every nature and description and the products or the bye products which may be derived, produced, prepared, developed, compounded,made or manufactured therefrom or therewith and substances obtained by mixing any of the foregoing with other substances.

7) *To carry on the business of manufactures or processors and/or importers, exporters, buyers, sellers, stockists and distributors of and/or dealers in Styrene Butadiene Rubber (SBR), Poly Butadiene Rubber (PBR), Acrylonitrile Butadiene Copolymer Rubber (NER), Elastomers including Thermo Plastic Elastomers (TPE), natural rubber, latexes, chemicals, raw materials, intermediates, wastes and recycle streams required for manufacture of SBR, PBR, NBR, TPE and all other type of synthetic rubber including carbon black master batches and carbon black, all kinds of articles and merchandise manufactured from synthetic rubber and chemicals including tyres, conveyor belts, transmission belts, rubber moulded products, rubber based footwear, microcellur sheets plantation of natural rubber, port facilities of storage and handling of styrene, Butadine, Acrylonitrile and all other chemicals and liquid petroleum gases; all kinds of plant and machinery utilities, equipment required for manufacture of one or more types of synthetic rubber and products thereof.*

8) a) *"To establish, operate and maintain power generating stations and tie Lines, sub-stations and main transmission lines connected therewith and/or to carry on in India or elsewhere the business to generate, receive, produce, improve, buy, sell, resell, acquire, use, transmit, accumulate, employ, distribute, develop, handle, protect, supply, and/or to act as agent, broker, representative, consultant, collaborator or otherwise to deal in electric power at such place or places as may be permitted by law".*

b) *"To operate and maintain such generating stations, tie Lines, substations and main transmission Lines as assigned to it by the competent Government or Governments."*

(v) The Resulting Company is presently engaged *inter-alia* in the following key business:

a. **BOPET Film:** It find application in photographic/X-ray, electronics, printing, textile, pre-press back up films, for photo voltaic cells used for generating solar power and office supplies, motor insulations photopolymer plates and document lamination, packaging metallic yarn, cables, transformers, capacitors, audio/video tape, hot stamping foils, release films, decorative ribbons and labels etc.

b. **BOPP Film:** Better moisture retention properties render BOPP Film more suitable for food products like snack foods, biscuits, pasta, dried foods and woven polypropylene bags.

c. **Metallised Films:** Vacuum deposition of Aluminium on BOPET and BOPP films increases the barrier properties of such films. Besides flexible packaging metallised BOPET films is used for metallic yarn. Metallised BOPP is widely used for gift wrapping.

d. **Coated Films:** PVDC coated BOPP and BOPET films are used in the flexible packaging industry.

e. **Polyester Chips:** manufacturing polyester chips.

(vi) The equity shares of the Resulting Company are listed on BSE Limited and the National Stock Exchange of India Limited.

1.1.2.1 **Rationale of the Scheme**

The transfer of the Demerged Undertaking from the Demerged Company to the Resulting Company pursuant to this Scheme shall be in the interest to both the Demerged Company and the Resulting Company in the following ways:

(i) In order to effectively and efficiently cater to the independent growth plans (both through organic and

inorganic means) for each of the businesses of the Demerged Company, diversification and continuous funding support through equity and debt is imperative.

(ii) Therefore, it has been proposed to re-organize the businesses of the Demerged Company in such a manner as to facilitate greater efficiency in cash management and unfettered access to cash flow generated to maximize shareholder value.

(iii) Accordingly it has been proposed to demerge the Demerged Undertaking *(as defined hereinafter)* of the Demerged Company into the Resulting Company in compliance with the provisions of Sections 391-394 and other relevant provisions of the Act.

(iv) The corporate restructuring of the Demerged Company involving the demerger of the Demerged Undertaking shall help to develop potential for further growth and diversification, to have better synergy and optimization of resources with the existing business of Resulting Company as well as to facilitate fund raising and development for the manufacturing business of the Demerged Company. The demerger is expected to facilitate the running of the manufacturing business of the Demerged Company with Resulting Company more efficiently and profitably with a greater and focused approach. Further, the demerger shall help to create the Resulting Company residual entity a focused holding company mainly for investments in the power sector.

(v) The transfer and vesting of the Demerged Undertaking into the Resulting Company, with effect from the Appointed Date *(as defined hereinafter)* is in the interest of the shareholders, creditors and all other stakeholders of the Companies, and shall not in any manner be prejudicial to the interests of concerned shareholders and creditors or the general public at large. The restructuring under this Scheme shall unlock shareholder value in the businesses of the Demerged Company.

1.1.3 The Scheme is divided into five parts:

(i) Part I sets-forth the Introduction, Definitions and Interpretation;

(ii) Part II sets-forth the capital structure of the Demerged Company and the Resulting Company;

(iii) Part III deals with the transfer and vesting of the Demerged Undertaking of the Demerged Company to and in the Resulting Company, in accordance with section 391 to 394 of the 1956 Act or such other equivalent provisions of the 2013 Act, as applicable; and;

(iv) Part IV deals with consideration, accounting and tax treatments of the Demerged Company and the Resulting Company pursuant to the demerger of the Demerged Undertaking in terms of this Scheme;

(v) Part V deals with general/residuary terms and conditions.

DEFINITIONS

1.2 DEFINITIONS

1.2.1 "1956 Act" means the Companies Act, 1956 and the rules made thereunder, and includes any alterations, modifications and amendments made thereto;

1.2.2 "2013 Act" means the Companies Act, 2013 and the rules made thereunder, and includes any alterations, modifications and amendments made thereto and/or any re-enactment thereof;

1.2.3 "Applicable Law(s)" means any statute, law, regulation, ordinance, rule, judgment, order, decree, by-law, approval from the concerned authority, Government resolution, order, directive, guideline, policy, requirement, or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or adjudication having the force of law of any of the foregoing, by any concerned authority having jurisdiction over the matter in question.

1.2.4 "Appointed Date" means April 1, 2014 or such other date as may be approved by the Court.

1.2.5 "Board of Directors" in relation to the Demerged Company and/or the Resulting Company, as the case may be, shall, unless it be repugnant to the context or otherwise, include a committee of directors or any person authorized by the board of directors or such committee of directors;

1.2.6 "Clause" and "sub-Clause" means the relevant clauses and sub-clauses set out in this Scheme.

1.2.7 "Court"[1] means collectively the Hon'ble High Court of Allahabad, U.P. and the Hon'ble High Court of Bombay to which this composite scheme of arrangement in its present form is submitted for its sanctioning under sections 391 to 394 of the 1956 Act or such other equivalent provision of the 2013 Act, as applicable.

1.2.8 "Demerged Undertakings" means the undertaking of the Demerged Company carrying out the business of manufacture, production, sale and distribution of Photographic products, and shall mean and include, without limitation:

(i) all assets (whether movable or immovable, real or personal, corporeal or incorporeal, leasehold or otherwise, present, future, contingent, tangible or intangible) pertaining to the business of manufacture, production, sale and distribution of photographic products of the Demerged Company including but without being limited to plant and machinery, capital work in progress, furniture, fixtures, office equipment, appliances, accessories, all stocks, investments, sundry debtors, deposits, provisions, advances, receivables, funds, leases, licences, tenancy rights, premises, benefits of agreements, contracts and arrangements, authorities, industrial and other licences including prospecting licences etc, registrations, permits, approvals, consents, privileges, liberties, advantages, easements and all the rights, title, interests, goodwill, benefits, entitlement and advantages, contingent rights or benefits belonging to or in the ownership, power, possession or the control of or vested in or granted in favor of or held for the benefit of or enjoyed by the Demerged Company with respect to the business of manufacture, production, sale and distribution of photographic products in India;

(ii) all liabilities including contingent liabilities pertaining to the photographic products business including the specific loans and borrowings (if any), term loans from banks and financial institutions (if any), bank overdrafts (if any), advances (including inter-corporate loans), including interest thereon, working capital loans & liabilities, whether secured or unsecured, raised incurred and utilized solely for the activities or operation of the business of photographic products, receivables, funds, cash, bank balances, investments, accounts and all other rights, benefits of all agreements, subsidies, grants,

[1] AM Note: To confirm.

incentives, bills of exchange, letter of intent, guarantees, assurances, commitments and obligations of any nature or description, whether fixed, contingent or absolute, secured or unsecured, asserted or unassorted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising, (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability), pertaining to the Demerged Company's undertaking, business, activities and operations pertaining to photographic products;

(iii) notwithstanding the generality of the provisions of Clause (i) above, the Demerged Undertaking shall *inter-alia* include -

(a) an undertaking known as 'Dadra Unit I' set up in financial year 1993-94 and engaged in the manufacturing of X-ray films, cine colour positive films, photographic colour paper, colour roll films, graphic arts films, black and white photographic paper and films etc., and trading of art paper and coated board, coated inkjet film and paper, mini-labs, cameras and other allied photographic goods situated at Sheetal Industrial Estate, survey no. 260/23, Demani Road, Dadra, Dadra & Nagar Haveli (U.T.) - 396191;

(b) an undertaking known as 'Roll Film Unit II' set up in financial year 1997-98 and engaged in the manufacturing of colour roll films, photographic colour paper and other allied photographic goods situated at Sheetal Industrial Estate, survey no. 260/23, Demani Road, Dadra, Dadra & Nagar Haveli (U.T.)-396191;

(c) an undertaking known as 'PPD Unit' set up in financial year 2001 -2002 and engaged in the manufacturing of photographic colour paper, X-ray films, colour roll films, and other allied photographic goods situated at Sheetal Industrial Estate, survey no. 260/23, Demani Road, Dadra, Dadra & Nagar Haveli (U.T.)-396191;

(d) an undertaking known as 'Photo Chemicals Unit' set up in financial year 1997-98 engaged in the manufacturing of photographic chemicals, situated at survey no. 178/2, Wadia Pada, Village - Sarigam (Bhilad), District - Valsad (Gujarat) - 396155;

(e) an undertaking known as 'Samba Unit' set up in financial year 2004-05 engaged in the manufacturing of photographic colour paper, X-ray films, colour roll films, cine films, photographic chemicals and other allied photographic goods situated atIGC Phase I, SIDCO, Samba-184121, Jammu & Kashmir;

(f) all other business relating to photographic and imaging goods and allied products presently being carried on at any of the above places and at various offices and branches of the Demerged Company, including the business relating to trading of medical equipments, imaging films and products etc; and

(iv) all existing and future contracts, agreements, request for proposal, bids, responses to invitation for expression of interest, leases, leave and licences, memoranda of undertakings, memoranda of agreements, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, sales orders, purchase orders or other instruments of whatsoever nature to which the Demerged Company is either a party or it may enter, exclusively relating to the Demerged Company's undertaking, business, activities and operations pertaining to photographic products;

(v) all registrations, trademarks, trade names, service marks, copyrights, patents, designs, domain names, applications for trademarks, trade names, service marks, copyrights, designs and domain names exclusively used by or held for use by the Demerged Company in the Demerged Company's undertaking, business, activities and operations pertaining to photographic products;

(vi) all permits, licenses, consents, approvals, authorizations, quotas, rights, entitlements, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements,

tenancies, privileges and similar rights and any waiver of the foregoing issued by any legislative, executive or judicial unit of any Governmental or semi-Governmental entity or any department, commission, board, agency, bureau, official or other regulatory, administrative or judicial authority exclusively used or held for use by the Demerged Company in the Demerged Company's undertaking, business, activities and operations pertaining to photographic products;

(vii) All books, records, files, papers, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to the photographic products business of the Demerged Company;

(viii) all such permanent employees of the Demerged Company, employees/personnel engaged on contract basis and contract labourers and interns/trainees, as are primarily engaged in or in relation to the Demerged Company's undertaking, business, activities and operations pertaining to photographic products, at its respective offices or otherwise, and any other employees/personnel and contract labourers and interns/trainees hired by the Demerged Company after the date hereof who are primarily engaged in or in relation to the Demerged Company's undertaking, business, activities and operations pertaining to the business of manufacture, production, sale and distribution of photographic products. It is clarified that the Demerged Undertaking shall not include any employees, assets, liabilities, rights and obligations belonging to and forming part of the Demerged Company Residual Entity.;

(ix) All earnest monies, security deposits, payments against warrants, or other entitlements, if any, in connection with or relating to the photographic products business of the Demerged Company;

(x) All investments in the capital of other companies and other financial assets held by the Demerged Company in its manufacturing division, whether as shares, scrips, stocks, bonds, debentures, debenture stocks, units, or pass through certificates including dividends declared and other accrued benefits thereto, as more specifically described in Schedule I of this Scheme;

(xi) All freehold and leasehold immovable properties more specifically described in Schedule II of this Scheme;

Any question that may arise as to whether a specified asset or liability pertains to or does not pertain to the Demerged Undertaking or whether it arises out of the activities or operations or is to be included in the Demerged Undertaking shall be decided by mutual agreement between the Board of Directors of the Demerged Company and the Resulting Company.

1.2.9 **"Effective Date"** means the date on which the Scheme shall become effective pursuant to Clause 11 of Part V of this Scheme. Any references in this Scheme to "upon this Scheme becoming effective" or "effectiveness of this Scheme" or "after this Scheme becomes effective" means and refers to the Effective Date;

1.2.10 **"Encumbrance"** means any options, pledge, mortgage, lien, security, interest, claim, charge, pre emptive right, easement, limitation, attachment, restraint or any other encumbrance of any kind or nature whatsoever; and the term "Encumbered" shall be construed accordingly;

1.2.11 **"Government"** means any government authority, statutory authority, government department, agency, commission, board, tribunal or court or other law, rule or regulation making entity having or purporting to have jurisdiction on behalf of the Republic of India or any state or other subdivision thereof or any municipality, district or other subdivision thereof;

"Record Date" means the date to be fixed jointly by the Board of Directors of Demerged Company and Resulting Company for the purposes of determining the shareholders of Demerged Company to whom shares would be issued on demerger of the Demerged Undertaking to Resulting Company pursuant to Clause 4.1 Part IV of this Scheme.

1.2.12 **"Residual Undertaking"** means all the undertakings, businesses, activities and operations of the Demerged Company other than the Demerged Undertaking;

1.2.13 **"Scheme"** or **"the Scheme"** or **"this Scheme"** means this Scheme of Arrangement in its present form (along with any annexures, schedules, etc., annexed/attached hereto), with such modifications and amendments as may be made from time to time, and with appropriate approvals and sanctions of the Court and other relevant regulatory authorities, as may be required under the 1956 Act or the 2013 Act, as applicable, and under all other applicable laws;

1.2.14 "Stock Exchanges" means National Stock Exchange of India Limited and BSE Limited; and

1.3 **INTERPRETATION**

1.3.1 The terms "hereof, "herein", "hereby", "hereto" and derivative or similar words used in this Scheme refers to this entire Scheme.

1.3.2 The expressions, which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the 1956 Act, 2013 Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the regulations made there under), the Depositories Act, 1996 and other applicable laws, rules, regulations, guidelines, bye-laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time. In particular, wherever reference is made to the Court or the Hon'ble High Court in this Scheme, the reference would include, if appropriate, reference to the National Company Law Tribunal ("NCLT") or such other forum or authority, as may be vested with any of the powers of a High Court under the 1956 Act and/ or 2013 Act.

1.4 **DATE OF TAKING EFFECT AND OPERATIVE DATE**

1.4.1 The Scheme set out herein in its present form or with any modifications) approved or imposed or directed by the Court shall be deemed to be effective from the Appointed Date but shall be operative only from the Effective Date.

PART - II
SHARE CAPITAL STRUCTURE

2.0 CAPITAL STRUCTURE

2.1 The share capital of Demerged Company as on March 31,2014 was as under:

Share Capital	Amount in Rupees
Authorized Capital	
1,05,50,000 equity shares of Rs 10/- each	10,55,00,000
4,80,00,000 preference shares of Rs 10/- each	48,00,00,000
Total	**58,55,00,000**
Issued, Subscribed and Paid-up	
1,02,58,326 equity shares of Rs. 10/- each	10,25,83,260
4,74,00,000 0% Redeemable Non convertible] preference shares of Rs. 10/- each	47,40,00,000
Total	**57,65,83,260**

2.2 The share capital of the Resulting Company as on March 31,2014 was as under:

Share Capital	Amount in Rupees
Authorized Capital	
8,00,00,000 Equity Shares of Rs.10/- each	80,00,00,000
100,000,000 Preference Shares of Rs.10/- each	100,00,00,000
Total	
Issued, Subscribed and fully paid-up	
4,20,47,713 Equity Shares of Rs. 10/- each	42,04,77,130
Total	**42,04,77,130**

2.3 Save as provided above, there is no change in the capital structure of the Demerged Company and the Resulting Company since March 31,2014.

PART - III
TRANSFER OF DEMERGED UNDERTAKING

SECTION A

3.0 TRANSFER AND VESTING OF THE DEMERGED UNDERTALKING INTO THE RESULTING COMPANY

3.1 With effect from the Appointed Date, and upon the Scheme becoming effective, the Demerged Undertaking as defined in Clause 1.2.8 of Part I hereof, shall pursuant to the provisions of Sections 391 to 394 of the 1956 Act, all other applicable provisions of the Act and Section 2(19AA) of the Income Tax Act, 1961, without any further act or deed, stand transferred as a going concern, to the Resulting Company, at book values and the Demerged Undertaking shall consequently vest in the Resulting Company with effect from the said date for all the estate and interest of the Demerged Company therein, subject however, to all charges, liens, lis pendens, mortgages and Encumbrances, if any, affecting the same or any part thereof and arising out of the liabilities which shall also stand transferred to the Resulting Company. The transfer and vesting shall be effected as follows:

(a) Without prejudice to Clause 3.1 above, in respect of such of the assets of the Demerged Undertakings as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and/or delivery or by physical possession, the same may be transferred at the option of the Board of Directors of the Resulting Company and Demerged Company as follows:

(i) All the moveable assets capable of being transferred by delivery including plant and machinery, investments shall be handed over by physical delivery (together with duly executed transfer forms or other documents as may be required) to the Resulting Company along with such other documents as may be necessary towards the end and intent that the property therein passes to Resulting Company on such delivery, without requiring any deed or instrument of conveyance for the same and shall become the property of Resulting Company accordingly;

(ii) The movable assets, other than those specified in Clause 3.1 (a) (i) above, including actionable claims, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers, vendors, distributors and other persons, shall without any further act, instrument or deed, be transferred and vested as the property of the Resulting Company. Resulting Company may, if required, give notice in such form as it may deem fit and proper to each person, debtor that pursuant to the said Scheme the said person, debtor should pay the debt, loan or advance or make good the same or hold the same to its account and that the right of Resulting Company to recover or realize the same is in substitution of the right of the Demerged Company.

(b) In respect of any remaining assets of the Demerged Undertakings, other than those referred to in Clause 3.1 (a) above, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in Resulting Company on the Appointed Date, pursuant to an order being made therefore under Section 394 of the 1956 Act.

3.2 With effect from the Appointed Date and upon the Scheme becoming effective, all immovable properties including land together with the buildings and structure standing thereon, whether freehold or leasehold, relating to the Demerged Undertaking, and any documents of title/rights and easements in relation thereto shall, without any act or deed done by the Demerged Company be vested in and transferred to and/or be deemed to have been and stand transferred to and vested in Resulting Company and shall belong

to Resulting Company. With effect from the Appointed Date and upon the Scheme becoming effective, Resulting Company shall in relation to the properties of the Demerged Undertaking transferred to Resulting Company under Part III -Section A of this Scheme, be liable for ground rent and municipal taxes.

3.3 With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, of every kind, nature and description of the Demerged Company related to the Demerged Undertaking, whether provided for or not in the books of accounts of Demerged Company as on the date preceding the Appointed Date, and all liabilities of the Demerged Company relating to the Demerged Undertaking which may arise or accrue after the Appointed Date but which relates to the period up to the date immediately preceding the Appointed Date shall, under the provisions of Sections 391 to 394 of the 1956 Act, without any further act or deed, be transferred to or be deemed to be transferred to the Resulting Company so as to become from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause 3.3. With effect from the Appointed Date and upon the Scheme becoming effective Resulting Company undertakes to meet, discharge and satisfy the liabilities referred to in this Clause 3.3 to the exclusion of Demerged Company and to keep Demerged Company indemnified at all times from and against all such debts, liabilities, contingent liabilities, duties and obligations and from and against all actions, demands and proceedings in respect thereto.

3.4 Any reference in any security documents or arrangements relating to loans and liabilities of Demerged Company in connection with the Demerged Undertaking, to the assets of Demerged Company which it has offered or agreed to offer as security to such secured creditors of Demerged Company in connection with the Demerged Undertaking, shall be construed as reference only to the assets pertaining to the Demerged Undertaking as are vested in Resulting Company by virtue of this Scheme.

3.5 Provided that the Scheme shall not operate to enlarge or extend the security for any loan, deposit or facility availed by Demerged Company in connection with the Demerged Undertaking, and Resulting Company shall not be obliged to create any further or additional security thereof after the Effective Date or otherwise unless specifically agreed to by Resulting Company with such secured creditors and subject to the consents and approvals of the existing secured creditors of Resulting Company. Further, the Scheme shall not operate to enlarge or extend the security for any loan, deposit or facility availed by Resulting Company, in as much as the security shall not extend to the assets transferred by Demerged Company to Resulting Company.

3.6 For the avoidance of doubt, it is hereby clarified that in so far as the assets comprising the Demerged Company Residual Entity are concerned, the Encumbrance created over such assets relating to the Demerged Undertaking shall, as and from the Effective Date without any further act, instrument or deed be released and discharged from the obligations and Encumbrance relating to the same. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above. Further, in so far as the assets comprised in the Demerged Undertaking are concerned, the Encumbrance over such assets relating to any loans, borrowings or debentures or other debts or debt securities which are not transferred to Resulting Company pursuant to the Scheme (and which shall continue with the Demerged Company), shall without any further act, instrument or deed be released from such Encumbrance and shall no longer be available as security in relation to such liabilities.

3.7 Without prejudice to the provisions of the foregoing clauses and upon the effectiveness of the Scheme, the Demerged Company and the Resulting Company shall execute, any instrument/s and/or document/s and/or do all the acts and deeds as may be required.

3.8 All cheques and other negotiable instruments, payment orders received in the name of the Demerged Company pertaining to the Demerged Undertaking after the Effective Date shall be accepted by the bankers of the Demerged Company and credited to the account of the Resulting Company. Similarly, all cheques and other negotiable instruments, payment orders received in the name of the Resulting Company

pertaining to the Demerged Undertaking prior to the Appointed Date shall be accepted by the bankers of the Demerged Company and credited to the account of the Demerged Company.

3.9 All existing contracts, agreements, request for proposal, bids, responses to invitation for expression of interest, leases, leave and licences, memoranda of undertakings, memoranda of agreements, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, sales orders, purchase orders or other instruments of whatsoever nature in relation to the Demerged Undertaking, or to the benefit of which, the Demerged Company may be eligible to in relation to the Demerged Undertaking and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect against or in favour of the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto. In relation to the same, any procedural requirements which are to be fulfilled by the Demerged Company shall be fulfilled by the Resulting Company, as if it is the duly constituted attorney of the Demerged Company. Upon this Scheme becoming effective and with effect from the Appointed Date, any contract of the Demerged Company relating to or benefiting at present the Demerged Company Residual Undertaking and the Demerged Undertaking, shall be deemed to constitute separate contracts, thereby relating to and/or benefiting the Demerged Company and the Resulting Company.

3.10 It is hereby clarified that if any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Demerged Undertaking to which Demerged Company is a party to, cannot be transferred to the Resulting Company for any reason whatsoever, the Demerged Company shall hold such contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Resulting Company insofar as it is permissible so to do, till such time as the transfer is effected.

3.11 Upon coming into effect of this Scheme, the past track record of Demerged Company relating to the Demerged Undertaking, 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.

3.12 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licences, permissions or approvals or consents held by the Demerged Company required to carry on operations in the Demerged Undertaking shall stand vested in or transferred to Resulting Company without any further act or deed, and shall, as may be required, be appropriately mutated by the statutory authorities concerned therewith in favor of Resulting Company. The benefit of all statutory and regulatory permissions, factory licences, environmental approvals and consents including the statutory licences, sales tax registrations, permits, permissions or approvals or consents required to carry on the operations of the Demerged Undertaking shall vest in and become available to the Resulting Company pursuant to the Scheme. Any no-objection certificates, licences, permissions, consents, approvals, authorizations, registrations or statutory rights as are jointly held by the Demerged Undertaking and any other undertaking of Demerged Company shall be deemed to constitute separate licences, permissions, no-objection certificates, consents, approvals, authorities, registrations or statutory rights, and the relevant or concerned statutory authorities and licensors shall endorse and/or mutate or record the separation, make entry in their records and/or upon the relevant document itself, so as to give effect to the Scheme and transfer of distribution assets to Resulting Company upon the filing of the Scheme as sanctioned with such authorities and licensors after the same becomes effective, so as to facilitate the continuation of operations of the Demerged Undertaking in Resulting Company without any hindrance from the Appointed Date.

3.13 Demerged Company may be entitled to various benefits under incentive schemes and policies in relation to the Demerged Undertaking, and pursuant to this Scheme it is declared that the benefits under all of such schemes and policies shall be transferred to and vest in Resulting Company and all benefits, entitlements and incentives of any nature whatsoever including sales tax concessions and incentives in relation to the

Demerged Undertaking to the extent statutorily available shall be claimed by Resulting Company, and these shall relate back to the Appointed Date as if Resulting Company was originally entitled to all benefits under such incentive schemes and/or policies, subject to continued compliance by Resulting Company of all the terms and conditions subject to which the benefits under the incentive schemes were made available to Demerged Company.

3.14 All the employees of the Demerged Undertaking shall be transferred to and engaged by the Resulting Company, without any interruption of service and on such terms and conditions as are no less favourable than those on which they are currently engaged by the Demerged Company.

With regard to provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme, employee stock option scheme or any other special scheme or benefits created or existing exclusively for the benefit of the employees, if any, upon this Scheme becoming effective, the Resulting Company shall stand substituted for the Demerged Company for all purposes whatsoever, including but not limited to those relating to the obligation to make contributions to such funds and schemes in accordance with the provisions of such funds and schemes in the respective trust deeds or other documents. The accumulations under provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme and any other special scheme or benefits of the Demerged Company pertaining to the employees shall be continued on the same terms and conditions or be transferred to the existing provident fund, employees' state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme, etc., being maintained by the Resulting Company or as may be created by the Resulting Company for such purpose. Pending such transfer, the contributions required to be made in respect of the Demerged Undertaking employees, shall continue to be made by the Resulting Company to the existing funds maintained by the Demerged Company.

3.15 The Resulting Company shall be entitled to the benefits and shall bear the burdens of any legal or other proceedings to the extent relating to the Demerged Undertaking, initiated by or against the Demerged Company. If any suit, appeal or other proceedings to the extent relating to the Demerged Undertaking initiated by or against the Demerged Company is pending, the same shall not be abated, be discontinued or in any way be prejudicially affected by reason of this Scheme and the proceedings may be continued, prosecuted and enforced by or against the Resulting Company in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Demerged Company, if this Scheme had not been effected. All reasonable costs incurred by the Demerged Company in respect of any proceedings initiated by or against the Demerged Company after the Appointed Date to the extent relating to the Demerged Undertaking shall be reimbursed by the Resulting Company upon submission by the Demerged Company to the Resulting Company of documents evidencing that the Demerged Company has incurred such costs. The Resulting Company shall file necessary application for transfer of all pending suit/appeal or other proceedings of whatsoever nature relating to the Demerged Undertaking.

3.16 All rights, obligations, benefits available under any direct and indirect taxes, including tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions, etc., sales tax benefits/ exemptions, service tax credit, stamp duty benefits and exemptions which may be obtained by the Demerged Company or which the Demerged Company is entitled to or which are or may be available to Demerged Company in respect of the Demerged Undertaking shall, pursuant to the sanction of this Scheme, be available to the Resulting Company on an as is where is/going concern basis. It is hereby clarified that any tax related liabilities/benefits, arising out of or in connection with an event occurring prior to the Appointed Date, even when the same may arise and/or accrue subsequent to the Appointed Date, shall, subject to and in accordance with applicable direct and indirect tax laws, continue to be liabilities/benefits of Demerged Company. Since each of the permissions, approvals, consents, sanctions, remissions, special reservations, sales tax remissions, tax holidays, incentives, concessions and other authorizations relating to the Demerged Undertakings, shall stand transferred by the order of the Courts to Resulting Company, Resulting Company shall file the relevant intimations, if any, for the record of the statutory authorities who shall take them on file, pursuant to the vesting orders of the sanctioning Courts.

3.17 The benefits of any and all corporate approvals as may have already been taken by the Demerged Company in relation to the Demerged Undertaking, whether being in the nature of compliances or otherwise, including without limitation, approvals under sections 293(l)(a), 293(l)(d), 295, 297, and 372A of the 1956 Act and any other approvals as under either the Act (1956 Act and/or 2013 Act), shall stand transferred to the Resulting Company and shall be deemed to have been taken by the Resulting Company, by virtue of approval of this Scheme.

3.18 All estates, assets, rights, title, interests and authorities accrued to and/or acquired by the Demerged Company for or in relation to the Demerged Undertaking shall be deemed to have been accrued to and/or acquired for and on behalf of the Resulting Company and shall, upon this Scheme becoming effective, pursuant to the provisions of section 394(2) and other applicable provisions of the 1956 Act or the 2013 Act, without any further act, instrument or deed be and stand transferred to or vested in or be deemed to have been transferred to or vested in the Resulting Company to that extent and shall become the estates, assets, right, title, interests and authorities of the Resulting Company.

3.19 For the purpose of giving effect to the vesting order passed under Sections 391, 394 and other applicable provisions of the Act, in respect of this Scheme, Resulting Company shall at any time pursuant to the orders on this Scheme be entitled to get the recordal of the change in the legal right(s) upon the vesting of such assets of the Demerged Undertaking in accordance with the provisions of Sections 391,394 and other applicable provisions of the Act.

3.20 This Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under Section 2(19AA) of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the said provisions at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said section of the Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with conditions contained in Section 2(19AA) of the Income Tax Act, 1961. Such modification shall however not affect other parts of the Scheme.

3.21 **Conduct of business till Effective Date**

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

(i) the Demerged Company undertakes to carry on and shall be deemed to have carried on the business activities of the Demerged Undertaking and stand possessed of the properties and assets of the Demerged Undertaking, for and on account of and in trust for the Resulting Company;

(ii) all profits or income accruing to or received by the Demerged Company, out of the Demerged Undertaking and all taxes paid thereon (including but not limited to advance tax, tax deducted at source, minimum alternate tax, fringe benefit tax, securities transaction tax, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax, etc.) or losses arising in or incurred by the Demerged Company with respect to the Demerged Undertaking shall, for all purposes, be treated as and deemed to be the profits, losses, income or taxes, as the case may be, of the Resulting Company;

(iii) the Demerged Company shall carry on the business of the Demerged Undertaking with reasonable diligence and business prudence and in a manner consistent with its past practices;

(iv) the Demerged Company shall carry on the business of the Demerged Undertaking, in its ordinary course of business. All the actions taken by the Demerged Company for the Demerged Undertaking, *inter-alia,* including any income, advances, payments made/collections received, funds or resources deployed or cost incurred, shall be suitably accounted for and recorded by Demerged Company and the Resulting Company on such terms and conditions as the Board of Directors of the Demerged Company and the Resulting Company may agree upon. Notwithstanding anything contained herein above, it is hereby clarified that no separate corporate approvals, *inter-alia,* under the 1956 Act or 2013

Act, shall be required to be taken by the Demerged Company for undertaking any of the foregoing actions/transactions pertaining to the Demerged Undertaking; and

(v) the Demerged Company shall not alter or substantially expand the business of the Demerged Undertaking, except with the written concurrence of the Resulting Company.

3.21.2. Conduct of business on Effective Date

(i) With effect from the Effective Date, the Resulting Company shall carry on and shall be authorised to carry on the businesses of the Demerged Undertaking of the Demerged Company.

(ii) For the purpose of giving effect to the vesting and transfer order passed under section 391 and 394 of the 1956 Act or such other equivalent provision of the 2013 Act, as applicable, in respect of this Scheme, the Resulting Company shall be entitled to get the recordal of the change in the legal title and rights appurtenant thereto upon the transfer and vesting of all the assets including investments pursuant to the Scheme.

3.21.3. **Residual Business**

a) The Demerged Company Residual 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.

b) All legal, taxation or other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company which relate to the Demerged Company Residual Undertaking under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case relating to the Demerged Company Residual Undertaking (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Demerged Company Residual Undertaking) shall be continued and enforced by or against the Demerged Company after the Effective Date. The Resulting Company shall in no event be responsible or liable in relation to any such legal, taxation or other proceeding against the Demerged Company, which relate to the Demerged Company Residual Undertaking.

All profits or losses pertaining to the Demerged Undertaking, up to the Appointed Date, which are recorded in the books of the Demerged Company shall, for all purposes, continue to be treated as the profit or losses of the Demerged Company and shall be retained in the books of the Demerged Company.

PART-IV
CONSIDERATION, ACCOUNTING TREATMENT AND TAX TREATMENT

4. CONSIDERATION

4.1 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 pursuant to Part II - Section A of the Scheme, the Resulting Company shall, without any further act or deed and without any further payment, issue and allot equity shares (hereinafter also referred to as the "New Equity Shares") of face value of Rs.10/- each 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 Demerged Company in the following proportion:

"For every 59 (Fifty Nine) equity shares efface 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 10 (Ten) 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 10 (Ten) fully paid up Equity Shares ofRs 10/- each for 59 (Fifty Nine shares) ofRs. 10 each of Demerged Company on the Scheme becoming effective."

4.2 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 4.1 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.

4.3 In respect of entitlement of nominee shareholders of Demerged Company, the equity shares of the Resulting Company shall be issued to the immediate beneficial shareholders for those nominee shareholders.

4.4 The New Equity Shares shall be issued in dematerialized form to those equity shareholders who hold the shares of the Demerged Company in dematerialized form provided that they shall be required to provide details of their respective accounts with the depository participant and such other confirmations as may be required. All those equity shareholders who hold shares of the Demerged Company in physical form shall be issued New Equity Shares in dematerialized form, provided that they provide details of their respective accounts with the depository participant. The shareholders who fail to provide such details shall be issued New Equity Shares in physical form unless otherwise communicated in writing by such shareholders on or before such date as may be determined by the Boards of Directors of the Demerged Company and the Resulting Company or by a committee created thereof by mutual agreement of the Boards of Directors.

4.5 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Demerged Company, the Board of Directors of the Demerged Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares in the Demerged Company, after the effectiveness of this Scheme.

4.6 The New Equity Shares issued by the Resulting Company, in terms of Clause 4.1 of this Scheme, will be listed and/or admitted to trading on the stock exchange where the shares of the Resulting Company are already traded subject to necessary approval to be obtained from the regulatory authorities and all necessary applications and compliances being made in this respect by the Resulting Company.

4.7 The New Equity Shares allotted pursuant to this Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange.

4.8 The New Equity Shares to be issued to the members of Demerged Company under Clause 4.1 shall be subject to the Memorandum and Articles of Association of the Resulting Company and shall rank pari passu with the existing equity shares of Resulting Company in all respects including, but subject to the provisions of Section 123 of the 2013 Act, dividend (including interim dividend) for the financial year starting from the Appointed Date in terms of the Scheme with the existing equity shares of the Resulting Company. The holders of the equity shares of Resulting Company and Demerged Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends from the respective companies of which they are members for the financial year upto the Appointed Date. It is clarified that the aforesaid provision in respect of declaration of dividends is an enabling provision only and shall not be deemed to confer any right on any member of the Resulting Company and Demerged Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective boards of directors of the Resulting Company and the Demerged Company and subject to the approval of the shareholders of the Resulting Company and Demerged Company.

4.9 The Demerged Company and / or the Resulting Company, as the case may be, shall make such applications to the SEBI as required under circular, notification, guidelines, rules and regulations issued and to be issued by SEBI and also enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said stock exchanges. The New Equity Shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing / trading are given by the relevant stock exchanges.

4.10 The issue and allotment of the New Equity Shares by the Resulting Company to the shareholders of the Demerged Company as provided in this Scheme is an integral part hereof and shall be deemed to have been carried out without any further act or deed by the Resulting Company as if the procedure laid down under Section 42 of the 2013 Act and any other applicable provisions of the Act were duly complied with. The Demerged Company and Resulting Company shall obtain the necessary approval from its shareholders, as required and as may be directed by the Court, in terms of this Scheme only, under and pursuant to provisions of Section 391-394 of the 1956 Act.

5. ACCOUNTING TREATMENT

5.1. Accounting Treatment in the books of the Resulting Company

5.1.1. The Resulting Company shall record all the assets and liabilities of the Demerged Undertaking vested in it pursuance to this Scheme, at their respective book values thereof, as appearing in the books of account of the Demerged Company immediately before the Appointed Date.

5.1.2. The Resulting Company shall credit the aggregate face value of the New Equity Shares of Resulting Company issued by it to the members of Demerged Company pursuant to this Scheme to the Share Capital Account in its books of account.

5.1.3. Pursuant to demerger of the Demerged Undertaking in accordance with this Scheme, the difference, if any, arising in the books of the Resulting Company between:

the aggregate of face value equity shares allotted by Resulting Company to the shareholders of Demerged Company; and the amount representing surplus of book value of assets over liabilities of the Demerged Undertaking recorded by the Resulting Company in its books of account shall be recorded as capital reserve.

5.1.4. In case of any differences in accounting policy between Demerged Company and Resulting Company, the impact of such differences shall be quantified and adjusted in the Reserve Account of Resulting Company to ensure that the true financial statements of Resulting Company on the Appointed Date are on the basis of consistent accounting policy.

5.1.5. Notwithstanding the above, the Board of Directors of the Resulting Company is authorised to account for any of these balances in any manner whatsoever, as may be deemed fit, in accordance with the prescribed Accounting Standards issued by the Institute of Chartered Accountants of India and applicable generally accepted accounting principles.

5.2. **Accounting Treatment in the books of the Demerged Company**

5.2.1. Upon the coming into effect of this Scheme, the book value of assets and liabilities transferred to the Resulting Company shall be reduced from the book value of assets and liabilities of Demerged Company.

5.2.2. The aggregate of the net assets of the Demerged Undertaking transferred to Resulting Company standing in the books of the Demerged Company remaining after adjustments shall be adjusted with the reserves and surpluses of the Demerged Company.

5.2.3. Notwithstanding the above, the Board of Directors of the Demerged Company is authorised to account for any of these balances in any manner whatsoever, as may be deemed fit, in accordance with the prescribed Accounting Standards issued by the Institute of Chartered Accountants of India and applicable generally accepted accounting principles.

6. **TAX TREATMENT**

Upon the Scheme becoming effective:

6.1. It is clarified that all the taxes and duties payable by the Demerged Company, relating to the, Demerged Undertaking, from the Appointed Date onwards including all advance tax payments, tax deducted at source, tax liabilities or any refund and claims shall, for all purposes, be treated as advance tax payments, tax deducted at source, tax liabilities or refunds and claims of the Resulting Company notwithstanding that the certificates, challans or other documents for payments of such taxes are in the name of the Demerged Company. Further any tax payments not directly relatable to the Demerged Undertaking and/ or the Resulting Undertaking shall be apportioned between the Demerged Company and the Resulting Company in the proportion of their taxable income or wealth pertaining to the Demerged Undertaking and the Residual Undertaking or any other appropriate basis as the Board of the Demerged Company and the Resulting Company mutually in their discretion deem fit. Accordingly, upon the Scheme becoming effective, the Demerged Company is expressly permitted to revise and file and the Resulting Company is expressly permitted to revise and file their income tax returns including tax deducted at source certificates, sales tax/ value added tax returns, excise returns, service tax returns and other tax returns, and to claim refunds/ credits, pursuant to the provisions of this Scheme.

6.2. In so far as the various incentives, subsidies, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by the Demerged Company, in relation to the Demerged Undertaking, are concerned, the same shall vest with and be available to the Resulting Company, on the same terms and conditions. In particular and without prejudice to the generality of the foregoing, benefit of all balances relating to CENVAT or Service Tax or VAT being balances pertaining to the Demerged Undertaking, shall stand transferred to and vested in the Resulting Company as if the transaction giving rise to the said balance or credit was a transaction carried out by the Resulting Company. The assets and properties pertaining to the Demerged Undertaking of the Demerged Company, shall not be required to be and shall not be physically transferred from any premises or location relating to the Demerged Undertaking and consequently or otherwise, there shall be no withdrawal of or obligation to pay or refund any CENVAT, VAT, Service Tax or other tax or duty pursuant to transfer and vesting of the Demerged Undertaking in the Resulting Company in accordance with the Scheme.

PART-V GENERAL / RESIDUARY TERMS AND CONDITIONS

7. Upon the Scheme becoming effective, the financial statements and financial books of accounts of the Demerged Company and the Resulting Company shall be reconstructed in accordance with the terms of the Scheme. The Demerged Company and the Resulting Company shall be entitled to file/revise its income tax returns and other statutory returns, if required, and shall have the right to claim refunds, advance tax credits, if any, as may be required consequent to implementation of this Scheme.

8. The Demerged Company and the Resulting Company shall, with all reasonable dispatch, make respective applications to the Courts and or applicable authority, under sections 391 to 394 and other applicable provisions of the 1956 Act or such other equivalent provision of the 2013 Act, seeking order for dispensing with or for convening, holding and/or conducting of the meetings of the classes of their respective members and creditors (secured and unsecured) as per the requirements of the Act.

9. SPA Capital Advisors Ltd., a SEBI registered merchant banker, pursuant to Clause 24(h) of the listing agreement and SEBI Circular No. CIR/CFD/DIL/5/2013, dated February 04, 2013 read with SEBI Circular No. CIR/CFD/DIL/8/2013, dated May 21, 2013, under its fairness opinion dated 12th January, 2015 by SPA Capital Advisors Ltd, a SEBI registered Category I Merchant Banker, has certified that the valuation reports in reference to the Scheme, is fair and reasonable.

10. The Scheme is conditional upon and subject to the following:

    (a) the Scheme being approved by the requisite majority in number and value of the members and creditors of the Demerged Company and the Resulting Company as required under Applicable Laws and as may be directed by the Courts;

    (b) The approval of the members of the Demerged Company and the Resulting Company shall be obtained through postal ballot and e-voting. The Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it as required under the Securities and Exchange Board of India Circular the circulars CIR/CFD/DIL/5/2013 dated February 4,2013 and CIR/CFD/DIL/8/2013 dated May 21,2013 issued by SEBI.

    (c) the Scheme being sanctioned by the Courts under sections 391 to 394 of the 1956 Act or such other equivalent provision of the 2013 Act, as applicable, and the necessary order being obtained in respect of the same; and

    (d) the certified copies of the order of the Courts referred to in this Scheme being filed with the Registrar of Companies, U.P & Uttranchal and Registrar of Companies, Gujarat.

11. This Scheme shall become effective on such of the last date when certified copies of the order of the Courts sanctioning this Scheme are filed by the Demerged Company with the Registrar of Companies, Gujarat or the Resulting Company with the Registrar of Companies, U.P & Uttranchal. Such date shall be known as the “Effective Date”.

12. Upon the sanction of this Scheme and upon this Scheme becoming effective, the following shall be deemed to have occurred on the Appointed Date and become effective and operative:

    (i) transfer and vesting of the Demerged Undertaking from the Demerged Company to the Resulting Company in accordance with the provisions of this Scheme;

(ii) the issue of New Equity Shares by the Resulting Company to existing shareholders of the Demerged Company on the Record Date.

13. Each of the Demerged Company and the Resulting Company (acting through their respective Boards of Directors) may assent to any modifications or amendments to this Scheme, which the High Court and/or any other authorities may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out this Scheme. Each of the Demerged Company and the Resulting Company (acting through its respective Boards of Directors) be and is hereby authorized to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions, whether by reason of any order of the Courts or of any directive or order of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith. The Demerged Company and the Resulting Company shall be at liberty to withdraw from this Scheme in case any condition or alteration imposed by the Courts or any other authority is not on terms acceptable to them.

14. The mutation of the title to the immovable properties shall be made and duly recorded by the appropriate authorities pursuant to the sanction of the Scheme and upon the Scheme becoming effective, in accordance with the terms hereof, in favour of the Resulting Company, in respect of the immovable properties vested in them, respectively. Any inchoate title or possessory title of Demerged Company or its predecessor companies in relation to the Demerged Undertaking shall be deemed to be the title of the Resulting Company.

15. Except as otherwise expressly provided in the Scheme, the Demerged Company and the Resulting Company shall pay their own costs and expenses in connection with the Scheme. Upon the Scheme becoming effective all costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of Demerged Company and Resulting Company arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto shall be borne by the Demerged Company and the Resulting Company respectively.

16. If any clause of this Scheme is invalid, ruled illegal by any court of competent jurisdiction, or unenforceable under Applicable Laws, then it is the intention of the parties that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in this Scheme, as will best preserve for the parties, the benefits and obligations of this Scheme, including but not limited to such part.

17. In the event that the Scheme is not sanctioned by the Courts or in the event any of consents, approvals, permissions, resolutions, agreements, sanctions or conditions enumerated in the Scheme are not obtained or complied with or for any other reason, the Scheme cannot be implemented, the Scheme shall become null and void, and each of Demerged Company and Resulting Companies shall bear its own cost, charges and expenses in connection with the Scheme unless otherwise mutually agreed.

18. The non - receipt of any sanctions or approvals for a particular asset or liability forming part of the Demerged Undertaking getting transferred pursuant to this Scheme, shall not affect the effectiveness of the respective section of the Scheme, if the boards of directors of Demerged Company and the Resulting Company so decide. The transfer of such asset or liability shall become effective from the Appointed Date as and when the said requisite approvals are received or aforesaid liability being recognized / security being issued and the provisions of the Scheme shall apply appropriately to the said transfer / issue / recognition.

SCHEDULE I

(DETAILS OF INVESTMENTS)

(1) 50,000 Equity Shares along with its six nominees of Jindal Photo Imaging Limited of face value of Rs. 10 each.

(2) 1,00,000 Equity Shares along with its six nominees of Jindal Imaging Limited of face value of Rs. 10 each.

SCHEDULE II

(DETAILS OF IMMOVABLE PROPERTIES)

(1) Freehold Factory Land compromising 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) Freehold Factory Land including residential units of staff measuring 27468 Sqm. survey number 173/2 & 178/2 at Village-Sarigam (Bhilad), Distt-Valsad (Gujarat).

(3) Leasehold Factory Land including residential units of staff aggregate measuring 80 Kanals at J&K SIDCO, Phase I, IGC Samba, Samba (Jammu).

(4) Freehold Industrial Gala (Shed) No. 4 & 13 at Amli, Silvassa - 396230, Survey/ Plot No. 126 P, measuring 107.76 Mtrs.

SPA
THE FINANCIAL ADVISORS
www.spacapital.com

SPA Capital Advisors Ltd.
(Formerly SPA Merchant Bankers Ltd.)
CIN: U99999DL1999PLC102626

25, C-Block Community Centre
Janak Puri, New Delhi-110 058
Tel : 011-25517371, 25515086
Fax : 011-25532644
Email : info@spacapital.com

Submitted to

JINDAL PHOTO LIMITED

AND

JINDAL POLY FILMS LIMITED

FAIRNESS OPINION REPORT

On Valuation Report

From

Haribhakti & Co. LLP

"For Share Entitlement ratio on Demerger of Manufacturing Division of Jindal Photo Limited into Jindal Poly Films Limited"

BY

M/s SPA Capital Advisors Ltd.

25, C-Block, Community Centre,

Janak Puri, New Delhi.

Tel: 25558601/25517371/25515086

Fax: 25572763

E-mail: sgarg@spacapital.com

Website: www.spacapital.com

January 12, 2015

Board of Directors	Board of Directors
Jindal Photo Limited	Jindal Poly Films Ltd.
11/5-B, Basement-01	Plot No. 12, Sector B1
Opp. Telephone Exchange,	Vasant Kunj
Pusa Road, New Delhi - 110 005	New Delhi – 110070

RE: Fairness Opinion on valuation report for the purpose of Demerger of Manufacturing Division of Jindal Photo Limited into Jindal Poly Films Limited

PURPOSE

We have been engaged to give fairness opinion on the valuation for issue of shares upon **Demerger of Manufacturing Division of Jindal Photo Limited into Jindal Poly Films Limited** done by **Haribhakti & Co. LLP.** This report should be read in conjunction with Valuation report dated **January 12, 2015** prepared by **Haribhakti & Co. LLP.**

We understand that there is Demerger of Manufacturing Division of Jindal Photo Limited into Jindal Poly Films Limited under the provisions of Companies Act, 1956. This Fairness opinion report is required as per clause 24 (h) of listing agreement.

SPA Capital Advisors Limited New Delhi

BACKGROUND

JINDAL PHOTO LIMITED (JPL)

We understand that, **Jindal Photo Limited, company** of **"B.C. Jindal Group"**, was incorporated in the year 1986. Jindal Photo Limited is market leader in the Photographic business segment in India, for marketing & selling the Consumer Photo Imaging Products under **'Kodak'**brand. and Medical X-Ray under "Fujifilm" brand.

Jindal Photo is India's one of the largest manufacturer of photographic and Medical products. The product range includes Photographic Color Paper, Photographic Chemicals, Thermal Printers & Media, Cine Color Positive Film, Graphic Products, Medical X-Ray Films & Equipments. The Company has over 45% market share in Imaging Product and 50% market share in X-ray Films.

Jindal Photo markets the products under the reputed brand name **'Kodak'**in Imaging products like Color Paper, Roll Films, Thermal Printers & Media, Cine Films etc. and Medical X-ray under brand name 'FUJIFILM' from Fujifilm corporation, Japan, a fortune 500 Company. The Company has a very strong marketing network throughout the country, knitted through branches, distributors, dealers & Direct Customers.

The Company has also sold photo finishing labs throughout the country as a part of its business strategy to capture the market of Thermal Printers & Media and Color Roll Film, color paper, photo chemicals. Jindal Photo's Products are used in over 1500 exclusive Outlets of Kodak and Fujifilm across the country.

JINDAL POLY FILMS LIMITED (JPFL):

Jindal Poly Films Limited is a part of INR 30 billion B.C.Jindal group, a 58 year old industrial group offering a wide range of products. The group has promoted a number of companies over the years and is involved in diverse activities including manufacturing of Polyester Film, Polypropylene film, Steel pipes and Photographic products.

JPFL is the largest manufacturer of BOPET and BOPP films in India. We produce:

- BOPET film
- BOPP film
- Metallised BOPET film and BOPP film
- Coated BOPET and BOPP films.

Polyester chips (for captive consumption in the BOPET film)

From being only a polyester yarn producer in 1985, JPFL diversified in 1996 into BOPET film production. In 2003, JPFL commenced production of BOPP film and metallised film. JPFL capabilities were strengthened by acquisition in November 2003 of Rexor S.A.S, in France, which produces metallised and coated films as well as tear tape, stamping foil, security thread and other high-value products.

JPFL plant at Nasik, Maharashtra is the world's largest single location plant for the manufacture of BOPET and BOPP films.

INFORMATION RELIED UPON

- Valuation report from **Haribhakti & Co. LLP** (""**H&Co**"") dated 12th January, 2015
- Demerger Scheme
- Financial Information used for Valuation purpose

Statement of Limiting Conditions: The Fairness Report has been prepared for the internal and exclusive use of Board of Directors of JPL/JPFL in support of the decisions to be taken by it. Therefore, this Report may not be disclosed, in whole or in part, to any third party or used for any purpose whatsoever other than those indicated in the Engagement and in the Final Report itself, provided that the Report may be transmitted to the experts appointed in compliance with the law and its content may be disclosed publicly where required by regulations of the Indian authorities. Any other use, in whole or in part, of this Report will have to be previously agreed and authorised in writing by SPA Capital Advisors Limited (SPA). In preparing this Report, SPA has relied upon and assumed, without independent verification, the truthfulness, accuracy and completeness of the information and the financial data provided by JPL/JPFL. SPA has therefore relied upon all specific information as received and declines any responsibility should the results presented be affected by the lack of completeness or truthfulness of such information. Publicly available information deemed relevant for the purpose of the analyses contained in this Report has also been used. Therefore this Report is based on: (i) our interpretation of the information which JPL/JPFL, as well as their representatives and advisers, have supplied to us to date; (ii) our understanding of

the terms upon which JPL/JPFL intends to consummate the Transaction (iii) the assumption that the Transaction will be consummated in accordance with the expected terms and within the expected time periods. In the execution of the Engagement, SPA has elaborated its own analysis based on the methodologies illustrated below, reaching the conclusions contained in the final paragraph of this report.

The conclusions described in this Report have been prepared with the sole purpose of determining the Share Exchange Ratio Upon Demerger of Manufacturing Division of Jindal Photo Limited Into Jindal Poly Films Limited, for the purpose of proposed demerger therefore; the values contained in this Report have no relevance for purposes other than that stated. This Report and the Opinion concern exclusively for the purpose of proposed demerger and do not constitute an opinion by SPA as to the absolute value of the shares of JPL & JPFL.

The conclusions contained in this Report are based on the whole of the valuations contained herein and therefore no part of the Report may be used apart from the document in its entirety.

This Report and the Opinion are necessarily based on economic, market and other conditions as on the date of valuation, and the written and oral information made available to us until 10th January, 2015. It is understood that subsequent developments may affect the conclusions of the Report and of the Opinion and that, in addition, SPA has no obligation to update, revise, or reaffirm the Opinion.

In addition, SPA is expressing no opinion as to the price at which any securities of JPL & JPFL will trade on the stock market at any time. Other factors after the date

SPA Capital Advisors Limited New Delhi

hereof may affect the value of the businesses of JPL & JPFL either before or after completion of the event. No opinion is expressed by SPA whether any alternative transaction might have been more beneficial to JPL/JPFL. It also remains understood that SPA or certain SPA affiliates may currently have and may in the future have commercial banking, investment banking, trust and other relationships and/or engagements with, Counterparties which may have interests with respect to JPL/JPFL, or companies directly or indirectly, controlled by, affiliated with JPL/JPFL or in which JPL/JPFL holds securities. Finally, it remains understood that SPA or certain SPA affiliates may have fiduciary or other relationships and engagements whereby SPA or certain SPA affiliates may exercise voting power over securities of various persons, which securities may from time to time include securities of JPL/JPFL, or companies directly or indirectly controlled by, affiliated with JPL/JPFL, or in which JPL/JPFL holds securities, or other parties with an interest in the Transaction.

COMMON APPROACHES TO VALUATION

Income Approach

The *Income Approach* measures the value of an asset by calculating the present value of its future economic benefits. When used to determine *Business value*, the *Income Approach* develops an indication of value by discounting forecasted cash flows to their present value at a rate of return that incorporates the risk-free rate for the use of funds plus the expected rate of inflation and the risks associated with the particular investment. The discount rate applied to these expected cash flows is generally based upon rates of return available from alternative investments of similar type and quality. Another discounting method calculates the company's *Weighted Average Cost*

of Capital ("WACC") from its cost of debt and cost of equity. Forecasts typically cover three to five years, but the reliability of forecasts for valuation purposes in early stage enterprises depends upon many factors, such as the company's vulnerability to advances in technology, actions by competitors, changes in end-user requirements, & the availability of financing. Selecting the forecast period required our judgment.

The *Income Approach* works best when development stage companies have progressed to Stage five. Typically, companies in prior stages have limited operating histories and cash flow forecasts. Using the *Income Approach* when a company has not achieved profitability or positive cash flow, and therefore has negative flows/losses during some or all of the forecast years, results in an *equity Value* that consists mostly (if not entirely) of the *Terminal Value ("TV"* is the estimate of the *Company's* future value at the end of the forecast period).

Market Approach

The *Market Approach* measures the value of an asset through an analysis of recent sales of comparable property compared to the property being valued. When applied to the valuation of an equity interest, consideration is given to the financial condition and operating performance of the subject company compared to either publicly traded companies with similar lines of business or recent corporate acquisitions (*"Guideline Companies"*). Typically, the companies selected for comparison are subject to economic, political, competitive, and technological factors that correspond with those confronting the *Company*.

The *Market Approach* is conceptually preferable to the other two approaches both because it uses direct comparisons to similar enterprises and because the analysis is based upon actual market transactions. However, comparables that fit perfectly

SPA Capital Advisors Limited New Delhi

rarely exist. Privately held companies are compared to publicly traded ones that are typically further along in their stage of development, have superior access to capital, and have common stock that is readily marketable. Often historical results of public companies are being compared to projected results for the private company being valued. In order to reflect these differences, data from the *Guideline Companies* must be appropriately adjusted.

Asset Approach

The *Asset Approach* measures the value of an asset by the cost to reconstruct or replace it with another of like utility. When applied to the valuation of equity interests in businesses, value is based on the net aggregate *fair market value* of the entity's underlying assets.

This approach basically entails a restatement of the balance sheet of the enterprise in which the *fair market value* of its assets and liabilities are substituted for their book values. This approach is frequently used to value holding companies or capital-intensive firms. It is typically not an appropriate valuation approach for growing operating companies which provide goods or services and which have significant intangible value. The same may be considered in conjunction with other approaches with lower weight age.

SUMMARY OF VALUATION PERFORMED BY H&Co

METHODOLOGY ADOPTED

Valuation of JPFL:

BUV Method

- H&Co has considered the audited consolidated financial statements of JPFL as at 31 March 2014 which was the latest available consolidated balance sheet provided by the management.
- H&Co has made the suitable adjustments for non-operating assets/liabilities where fair value of investments in subsidiaries/associates/mutual funds, any contingent liabilities has been considered.
- Based on the above, the Equity Value of JPFL is arrived under BUV Method.

DCF Method

- H&Co has relied on the projections as provided by management of JPFL for the period from 1 April 2104 to 31 March 2021.
- Cost of Equity has been considered as the discounting factor since H&Co was using the Free Cash Flow to Equity ("FCFE") model of DCF Method and is calculated as per the Capital Asset Pricing Model.
- To the value of the business so arrived, adjustments are made for the value of surplus cash, non-operating assets/liabilities (eg. fair value of investments in subsidiaries/associates/mutual funds, any contingent liabilities, etc.) in order

SPA Capital Advisors Limited New Delhi

to arrive at the value for the equity shareholders. The total value for the equity holders so arrived has been then divided by the number of equity shares in order to work out the value per equity share of JPFL.

- Based on above, the Equity Value of JPFL is arrived under DCF Method.

Market Price Method:

Since the shares of JPFL are listed on NSE and BSE and are frequently traded, H&Co has considered the market approach for valuation of JPFL. The volume weighted average price of sixty trading days for period ended 2 January 2015 as traded on NSE has been considered to arrive at the valuation of JPFL.

Valuation Conclusion:

To arrive at value of equity shares of JPFL, H&Co has considered it appropriate to give a weight of 1 to the value arrived at under BUV Method, weight of 2 to the values arrived at under the DCF Method and the Market Price Method.

Accordingly, the equity value per share of JPFL is arrived at Rs 482.17

Valuation of Demerged Undertaking of JPL:

BUV Method

- H&Co has considered the audited financial statements of Demerged Undertaking of JPL as at 31 March 2014 which was the latest available balance sheet provided by the management.

Post balance sheet date, material investments made by subsidiaries have also been considered in valuation.

- H&Co has made the suitable adjustments for the value of investments and contingent liabilities to arrive at the value attributable to the Demerged Undertaking.

- Based on the above, the equity value of Demerged Undertaking of JPL is arrived under BUV Method.

DCF Method

- H&Co has relied on the projections as provided by management of JPL for its manufacturing division for the period from 1 April 2104 to 31 March 2019.

- Cost of Equity has been considered as the discounting factor since H&Co is using the Free Cash Flow to Equity ("FCFE") model of DCF Method and is calculated as per the Capital Asset Pricing Model.

- To the value of the business so arrived, adjustments are made for the value of surplus cash, contingent liabilities and value of investments in order to arrive at the value for the equity shareholders. The total value for the equity holders so arrived has been then divided by the number of equity shares in order to work out the value per equity share attributable to Demerged Undertaking of JPL.

- Based on above, the equity value attributable to Demerged Undertaking of JPL is arrived under DCF Method.

SPA Capital Advisors Limited New Delhi

Comparable Companies Multiple Method :

- The CCM Method which focuses on the multiples of comparable companies has been considered in the valuation exercise. The average EV / EBITDA multiple of diversified manufacturing sector which is sub-set of companies prepared by Bloomberg has been considered. H&Co has discounted the average EV/EBITDA of diversified manufacturing sector on account of stress on JPL's manufacturing business to arrive at adjusted EV/EBITDA multiple. The adjusted EV/EBITDA multiple have been multiplied with the maintainable EBITDA of Manufacturing Division of JPL to arrive at the enterprise value of Manufacturing Division of JPL.
- The business value has been adjusted for cash and bank balance, debt and contingent liabilities and the value of investments to arrive at the value available to the equity shareholders of JPL for the proposed Demerged Undertaking.

Valuation Conclusion

- To arrive at value of equity shares of JPL, H&Co has considered it appropriate to give a weight of 1 to the value arrived at under BUV Method, weight of 2 to the values arrived at under the DCF Method and the CCM Method.

Accordingly, the equity value per share of JPL attributable to the Demerged Undertaking is arrived at Rs. 81.75

SPA Capital Advisors Limited

CONCLUSION

SUMMARY OF SWAP RATIO DETERMINED BY H&Co.

The entitlement ratio as recommended by H&Co. is 10 shares of Rs. 10 each of JPFL for 59 shares of Rs. 10 each of Demerged Undertaking of JPL.

It is noted that the valuation was performed assuming that the Companies will continue in operation in unhindered manner for the future as at present on a pre demerger standalone basis (going concern).

The method considered in the valuation is appropriate and reasonable for the subject companies.

Subject to the assumptions presented herein, in our opinion the values and swap ratio derived by H&Co are fair considering circumstances and purpose of valuation.

For SPA CAPITAL ADVISORS LIMITED

(Sourabh Garg)
Vice President

SPA Capital Advisors Limited New Delhi

(Khushboo Tanwar)
Manager

17th February, 2015

The Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C-1
Block – G, Bandra-Kurla Complex
Bandra (East),
Mumbai –400 051.

General Manager
the Securities and Exchange Board of India
Plot No.C4-A,'G' Block,
Bandra Kurla Complex, Bandra (East),
Mumbai 400051

Code : JINDALPHOT / 532624 Series: Eq

Subject: Complaint Report in respect of draft Scheme of Demerger.

Dear Sirs,

This is in reference to draft scheme submitted on 19th January, 2015 and soft copy of documents of draft scheme appeared on the website of the "Designated Stock Exchange" on 23rd January, 2015 in respect of demerger of manufacturing division of the Company into Jindal Poly Films Ltd (**"Resulting Company"**).

In this respect, in compliance with the provisions of Clause 24(f) and other applicable provisions, if any, of the Listing Agreement, we are pleased to enclose herewith the Complaint Report in prescribed format.

We, therefore, request you to kindly accord your approval to the enclosed Scheme of Arrangement in terms of the provisions of Clause 24(f) and other applicable provisions, if any, of the Listing Agreement at the earliest to enable us to file petition before the High Court.

We shall be pleased to submit any further information / clarification as may be required in this regard.

Thanking you,
Yours truly,
For **Jindal Photo Limited**

Ashok Yadav
Company Secretary
Encl: As above

Jindal Photo Limited
Head Off. : 11/5-B, Basement, Opp. Telephone Exchange, Pusa Road, New Delhi - 110005 Phone : 91-11-25767000, Fax: 91-11-25767015
Regd. Office & Works : 260/23, Sheetal Industrial Estate, Demeni Road, Dadra - 396193 (U.T. of D & N.H.) Ph.: 0260-2668371, 72, 79, Fax: 0260-2668354
Works : J & K SIDCO, Phase - I, Industrial Growth Centre, Samba - 184 121 Jammu (J & K).Ph. : 09906094988, Telefax : 01923-243028
CIN : L33209 DN 2004 PLC 000198, **E-mail** : jindalphoto@jindalgroup.com, **Website** : www.jindalphoto.com

JINDAL PHOTO LTD

Complaints Report: From 23.1.2015
To 13.2.2015

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchange	NIL
3.	Total Number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	NIL
5.	Number of complaints pending	NIL

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
.....N.A.....			

JINDAL PHOTO LIMITED NEW DELHI

19th February, 2015

The Deptt of Corporate Services
The Bombay Stock Exchange Ltd
25, PJ Towers, Dalal Street
Mumbai – 400001.

Code : JINDALPHOT / 532624 Series: Eq

Subject: Complaint Report from 28th January, 2015 to 18th February, 2015 in respect of draft Scheme of Demerger.

Dear Sirs,

This is in reference to draft scheme submitted on 19th January, 2015 and soft copy of documents of draft scheme appeared on your website on 28th January, 2015 in respect of demerger of manufacturing division of the Company into Jindal Poly Films Ltd ("**Resulting Company**").

In this respect, in compliance with the provisions of Clause 24(f) and other applicable provisions, if any, of the Listing Agreement, we are pleased to enclose herewith the Complaint Report from 28th January, 2015 to 18th February, 2015 in prescribed format.

We, therefore, request you to kindly accord your approval to the enclosed Scheme of Arrangement in terms of the provisions of Clause 24(f) and other applicable provisions, if any, of the Listing Agreement at the earliest to enable us to file petition before the High Court.

We shall be pleased to submit any further information / clarification as may be required in this regard.

Thanking you,
Yours truly,
For **Jindal Photo Limited**

Ashok

Ashok Yadav
Company Secretary
Encl: As above

Jindal Photo Limited
Head Off. : 11/5-B, Basement, Opp. Telephone Exchange, Pusa Road, New Delhi - 110005 Phone : 91-11-25767000, Fax: 91-11-25767015
Regd. Office & Works : 260/23, Sheetal Industrial Estate, Demeni Road, Dadra - 396193 (U.T. of D & N.H.) Ph.: 0260-2668371, 72, 79, Fax: 0260-2668354
Works : J & K SIDCO, Phase - I, Industrial Growth Centre, Samba - 184 121 Jammu (J & K) Ph. : 09906094988, Telefax : 01923-243028
CIN : L33209 DN 2004 PLC 000198, **E-mail** : jindalphoto@jindalgroup.com, **Website** : www.jindalphoto.com

Jindal Photo Ltd

Complaints Report from 28th January, 2015 to 18th February, 2015

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchange	NIL
3.	Total Number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	NIL
5.	Number of complaints pending	NIL

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
.....N.A.....			

JINDAL PHOTO LIMITED NEW DELHI

BSE Limited Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India
T: +91 22 2272 1234 / 33 F: +91 22 2272 1003 www.bseindia.com
Corporate Identity Number : U67120MH2005PLC155188

BSE EXPERIENCE THE NEW

DCS/AMAL/JS/24(f)/322/2014-15

March 11, 2015

The Company Secretary
Jindal Photo Limited
265/23 Sheetal Industrial Estate,
Demani Road,
Dadra,
Dadra & Nagar Haveli – 396 193

Sub: Observation letter regarding the Scheme of Arrangement between Jindal Poly Films & the Company.

We are in receipt of Scheme of Arrangement between Jindal Poly Films & the Company.

As required under SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013; SEBI vide its letter March 11, 2015 has inter alia given the following comment(s) on the draft scheme of arrangement:

- ***Company shall duly comply with various provisions of the Circulars."***

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble High Court.

Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

a. Copy of the High Court approved Scheme;
b. Result of voting by shareholders for approving the Scheme;
c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
d. Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
e. Status of compliance with the Observation Letter/s of the stock exchanges;
f. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
g. Complaints Report as per Annexure II of this Circular.
h. Any other document/disclosure as informed by the Exchange.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,

Nitin Pujari
Manager

Pooja Sanghvi
Asst. Manager

BSE Limited Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India
T: +91 22 2272 1234/33 F: +91 22 2272 1003 www.bseindia.com
Corporate Identity Number : U67120MH2005PLC155188

DCS/AMAL/JS/24(f)/323/2014-15

March 11, 2015

The Company Secretary
Jindal Poly Films Ltd
19th, K M Hapur,
Bulandshahr Road,
Bulandshahr – 245 408
Uttar Pradesh.

Sub: Observation letter regarding the Scheme of Arrangement between Jindal Photo Limited & the Company.

We are in receipt of Scheme of Arrangement between Jindal Photo Limited & the Company.

As required under SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013; SEBI vide its letter March 11, 2015 has inter alia given the following comment(s) on the draft scheme of arrangement:

- ***Company shall duly comply with various provisions of the Circulars."***

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble High Court.

Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

a. Copy of the High Court approved Scheme;
b. Result of voting by shareholders for approving the Scheme;
c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
d. Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
e. Status of compliance with the Observation Letter/s of the stock exchanges;
f. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
g. Complaints Report as per Annexure II of this Circular.
h. Any other document/disclosure as informed by the Exchange.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,

Nitin Pujari
Manager

Pooja Sanghvi
Asst. Manager

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

NIFTY 50 Stock of the nation

Ref: NSE/LIST/18021

March 12, 2015

The Company Secretary
Jindal Photo Limited
Basement-01, Opp. Telephone Exchange
Pusa Road
New Delhi - 110008

Kind Attn.: Mr. Ashok Yadav

Dear Sir,

Sub: Observation letter for draft Scheme of Arrangement between Jindal Photo Limited and Jindal Poly Films Limited

This has reference to draft Scheme of Arrangement under sections 391 to 394 of the Companies Act, 1956 between Jindal Photo Limited and Jindal Poly Films Limited and their respective shareholders and their respective creditors submitted to NSE vide your letter dated January 16, 2015.

Based on our letter reference no Ref: NSE/LIST/16270 submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 04, 2013 and SEBI Circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013, SEBI has vide letter dated March 11, 2015, has given following comments on the draft Scheme of Arrangement:

"The Company shall duly comply with various provisions of the Circulars."

We hereby convey our 'No-objection' with limited reference to those matters having a bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable the Companies to file the Scheme with Hon'ble High Court.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from March 12, 2015, within which the Scheme shall be submitted to the Hon'ble High Court. Further pursuant to the above cited SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, you shall submit to NSE the following:

Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai 400051, India. • Tel: +91 22 26598235/36, 26598346 • Fax: +91 22 26598237/38
E-mail : cmlist@nse.co.in • Web site: www.nseindia.com

a. Copy of Scheme as approved by the High Court;
b. Result of voting by shareholders for approving the Scheme;
c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme
d. Status of compliance with the Observation Letter/s of the stock exchanges
e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
f. Complaints Report as per Annexure II of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013.

Yours faithfully,
For National Stock Exchange of India Limited

Kamlesh Patel
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL http://www.nseindia.com/corporates/content/further_issues.htm

This Document is Digitally Signed

Signer : Patel Kamlesh
Date: Thu, Mar 12, 2015 15:53:56 GMT+05:30
Location: NSE

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

NIFTY 50 Stock of the nation

Ref: NSE/LIST/18028

March 12, 2015

The Company Secretary
Jindal Poly Films Limited
Plot No.-12, Sector-B-1,
Local Shopping Complex, Vasant Kunj,
New Delhi - 110070

Kind Attn.: Mr. Sanjeev Kumar

Dear Sir,

Sub: Observation letter for draft Scheme of Arrangement between Jindal Photo Limited and Jindal Poly Films Limited

This has reference to draft Scheme of Arrangement under sections 391 to 394 of the Companies Act, 1956 between Jindal Photo Limited and Jindal Poly Films Limited and their respective shareholders and their respective creditors submitted to NSE vide your letter dated January 16, 2015.

Based on our letter reference no Ref: NSE/LIST/16271 submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 04, 2013 and SEBI Circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013, SEBI has vide letter dated March 11, 2015, has given following comments on the draft Scheme of Arrangement:

"The Company shall duly comply with various provisions of the Circulars."

We hereby convey our 'No-objection' with limited reference to those matters having a bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable the Companies to file the Scheme with Hon'ble High Court.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from March 12, 2015, within which the Scheme shall be submitted to the Hon'ble High Court. Further pursuant to the above cited SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, you shall submit to NSE the following:

Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai 400051, India. • Tel: +91 22 26598235/36, 26598346 • Fax: +91 22 26598237/38
E-mail : cmlist@nse.co.in • Web site: www.nseindia.com

a. Copy of Scheme as approved by the High Court;
b. Result of voting by shareholders for approving the Scheme;
c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme
d. Status of compliance with the Observation Letter/s of the stock exchanges
e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
f. Complaints Report as per Annexure II of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013.

Yours faithfully,
For National Stock Exchange of India Limited

Kamlesh Patel
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL http://www.nseindia.com/corporates/content/further_issues.htm

This Document is Digitally Signed

NSE

Signer : Patel Kamlesh
Date: Thu, Mar 12, 2015 16:13:20 GMT+05:30
Location: NSE

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 507 OF 2015

IN THE MATTER OF THE COMPANIES ACT, 1956 (1 OF 1956);

AND

IN THE MATTER OF APPLICATION UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956;

AND

IN THE MATTER OF SCHEME OF ARRANGEMENT BETWEEN JINDAL PHOTO LIMITED, ('THE DEMERGED COMPANY');

AND

JINDAL POLY FILMS LIMITED ('THE RESULTING COMPANY');

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS.

Jindal Photo Limited [CIN L33209DN2004PLC000198], a company) incorporated under the Companies Act, 1956, having its registered office at 260/23, Sheetal Industrial Estate, Demani Road, Dadra – 396193, Dadra & Nagar Haveli (U.T.), Phone No: :0260-2668371,372,308,379, Fax No: 0260-2668354, Email: cs_jphoto@jindalgroup.com, Website: www.jindalphoto.com

…Applicant/ Demerged Company

FORM OF PROXY

I/We, the undersigned, as a Secured Creditor of Jindal Photo Limited (the "Company"), do hereby appoint ___ _____ of _____, and failing him/her _____, of _____ , as my/our proxy, to act for me/us at the meeting of the Secured Creditor of the Company, to be held at the Registered Office of the Company at 260/23, Sheetal Industrial Estate, Demani Road, Dadra – 396193, Dadra & Nagar Haveli (U.T.), on Thursday, the 13th day of August, 2015 at 03:30 P.M., for the purpose of considering and, if thought fit, approving with or without modification(s), the Scheme of Arrangement between Jindal Photo Limited and Jindal Poly Films Limited and their respective shareholders and creditors (**"the Scheme"**) and at such meeting and any adjournment thereof, to vote, for me / us and in my / our name _____(here **"If for" insert** "**For", "If against" insert "Against" and in the latter case strikeout the words below after the "Scheme")** the said Scheme as my/ our proxy may approve.

Dated this _____ day of _____ 2015.

Signature: _____

Notes:

(1) Please affix revenue stamp not less than Re.1 before putting signature.

(2) The proxy must be deposited at the Registered Office of Jindal Photo Limited at 260/23, Sheetal Industrial Estate, Demani Road, Dadra – 396193, Dadra & Nagar Haveli (U.T.) at least 48 hours before the commencement of the meeting.

(3) Strike out which is not necessary.

(4) All alterations made in the Form of Proxy should be initialed.

(5) Bodies Corporate would be required to deposit certified copy of the Board Resolution/Power of Attorney, as the case may be, authorizing the Individuals named therein, to attend & vote at the meeting on its behalf. These documents must be deposited at the Registered Office of Jindal Photo Limited at 260/23, Sheetal Industrial Estate, Demani Road, Dadra – 396193, Dadra & Nagar Haveli (U.T.) at least 48 hours before the commencement of the meeting.

(6) In case of multiple proxies, proxy later in time shall be accepted.

JINDAL PHOTO LIMITED

[Corporate Identity No.L33209DN2004PLC000198]
Registered Office: 260/23, Sheetal Industrial Estate, Demani Road
Dadra – 396193, Dadra & Nagar Haveli (U.T.)
Phone Nos.: 0260-2668371,372,308,379 Fax No: 0260-2668354,
Head Office: 11/5-B, Basement, Opp. Telephone Exchange
Pusa Road, New Delhi – 110005.
Phone No.: 011-25767000 Fax No: 011-25767029
Email: cs_jphoto@jindalgroup.com, Website: www.jindalphoto.com

ATTENDANCE SLIP

I/We, _____ hereby record my/our presence at the court convened meeting of the Secured Creditors of Jindal Photo Limited having its Registered Office at 260/23, Sheetal Industrial Estate, Demani Road, Dadra – 396193, Dadra & Nagar Haveli (U.T.), convened pursuant to an Order dated 26th day of June, 2015 and modified further Order dated 3rd July, 2015 of the Hon'ble High Court of Judicature at Bombay, at the Registered Office of the Company at 260/23, Sheetal Industrial Estate, Demani Road, Dadra – 396193, Dadra & Nagar Haveli (U.T.), on Thursday, the 13th day of August, 2015 at 03:30 P.M.

Name & Address of the Secured Creditor : _____

Name & Address of the Authorized Representative/ Proxy Holder : _____

Signature of the Secured Creditor/ Signature of the Proxy Holder / Authorized Representative : _____

Notes:

Secured Creditors attending the Meeting in Person or by Proxy or through Authorized Representative are requested to complete and bring the Attendance Slip with them and hand it over at the entrance of the Meeting Hall.