JINDAL POLY FILMS LTD.

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

DETAILED NOTE ON THE SCHEME OF ARRANGEMENT (DEMERGER) BETWEEN JINDAL POLY FILMS LIMITED AND UNIVERSUS PHOTO IMAGINGS LIMITED AND THEIR RESPECTIVE CREDITORS AND SHAREHOLDERS

Particulars	Jindal Poly Films Limited	Universus Photo Imagings Limited
Name of the Company	Jindal Poly Films Limited (Demerged Company)	Universus Photo Imagings Limited (Resulting Company) Formerly Jindal Photo Imaging Limited
Date of Incorporation and details of Name change if any	**Date of Incorporation:** September 9, 1974 as Hindustan Pipe Udyog Limited **Name change details**: Jindal Polyester and Steel Limited on April 10, 1992 and then change to Jindal Polyester Limited on January 17, 1995 and thereafter changed to **Jindal Poly Films Limited on April 19, 2004**.	**Date of Incorporation:** November 12, 2011 as Jindal Photo Investments and Finance Limited **Name change details**: Change to Jindal Photo Imaging Limited,March 25, 2014, and thereafter **Universus Photo Imagings Limited on December 12, 2019.**
Registered Office:	19th KM, Hapur, Bulandhshahr Road, PO Gulaothi, Bulandhshahr, Uttar Pradesh-245408	19th KM, Hapur, Bulandhshahr Road, PO Gulaothi, Bulandhshahr, Uttar Pradesh-245408
The Scheme	Scheme of Arrangement under section 230 to 234 of Companies Act 2013, for demerger of the Photo Films Business Undertaking from Demerged Company to the Resulting Company as approved by the Hon'ble NCLT, Bench at Allahabad vide its order dated December 9, 2019 (Certified Copy received on December 17, 2019).	
Details of the Scheme also covering business and financial aspect of the scheme	A brief description of the Scheme is as follows: a. Demerged Company is listed entity and primarily engaged in the following businesses: 1. manufacturing of photographic, and medical films. Demerged Company has also invested in JPF Netherland BV, Amsterdam for carrying on business in overseas, mutual funds units and other money market instruments *(i.e. the **"Photo Films Business"** or **"Demerged Undertaking"**, as more particularly defined hereinafter in Clause 2. 7 of the Scheme);* and 2. manufacturing of BOPET Films and BOPP films (plain, metalized and coated) which are mainly used in flexible packaging industry and is a leading supplier of such films to leading global brand owners in food, beverages and confectionery *(herein after referred to as **"Packaging Films Business"** or **"Remaining Undertaking"** as more particularly defined in Clause 2.18 of the Scheme).* 3. Nonwoven Material Fabrication: Nonwoven roll goods used for manufacture of consumer products catering to hygiene and medical end uses. The hygiene segment end-products primarily consist of diapers, sanitary napkins, adult incontinence and wipes whereas the medical segment end-products consist of masks, caps, drapes, gowns, covers and shoe covers made of polypropylene spun bond fabric & spun melt (non-woven fabric)	

Jindal Poly Films Ltd. New Delhi

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b. The Resulting Company is an unlisted public limited company. The Resulting Company was set-up for carrying on the business of manufacturing, selling, distributing, converting and producing, medical equipment's, x-ray films and devices computed radiography, cassettes, printers etc. The business activities of Resulting Company compliment the business activities of Demerged Undertaking. The Resulting Company is a wholly owned subsidiary of the Demerged Company.

Scheme of Arrangement:

- All the assets, liabilities, contracts, rights, obligations etc. of the Demerged Company pertaining to the Demerged Undertaking shall be transferred to the Resulting Company;
- Legal proceedings by or against the Demerged Company pertaining to the Demerged Undertaking pending on or before the Effective Date shall be transferred to the Resulting Company
- All inter-company transactions between Demerged Company pertaining to Demerged Undertaking and Resulting Company including but not limited to the equity shares, loans and advances, agreements, memorandum of understandings shall stand cancelled, extinguished and be of no effect as on Effective Date and the Demerged Company and the Resulting Company shall have no further obligation outstanding in that behalf.
- All employees of the Demerged Company pertaining to the Demerged Undertaking shall become the employees of the Resulting Company with effect from the Effective Date and terms and conditions of their service shall remain same
- In consideration the Resulting Company will issue equity shares to the shareholders of Demerged Company in the manner as provided in the scheme.

The Demerged Company has three business segments namely, Packaging Films Business, Nonwovens fabrics and Photo Films Business. The Resulting Company, a wholly owned subsidiary of the Demerged Company was also incorporated carrying on similar business to the Photo Films Business of the Demerged Company, however at present not doing any business. In order to manage the business of the Demerged Company efficiently and effectively, the management of the Demerged Company has considered it desirable to demerge the Photo Films Business of the Demerged Company, as a going-concern, into the Resulting Company.

The demerger of Photo Films Business or the Demerged Undertaking of the Demerged Company into the Resulting Company will enable both companies to focus on their respective businesses, efficient management and control and to exploit business opportunities more efficiently and effectively.

The Scheme is in line with the current global industry practice to achieve size, scalability,' integration, greater financial strength and flexibility thereby maximizing shareholder value and to achieve higher long-terms financial returns.

Financials of the Companies:

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	• Unaudited Financial Results of Demerged Company for quarter and half year ended September 30, 2019 has been enclosed herewith as **Annexure A** • Audited Balance sheet of Resulting Company for the year ended March 31, 2019 has been enclosed as **Annexure B**	
Date of Resolution passed by the Board of Directors of the Company Approving the Scheme	November 12, 2018	November 12, 2018
Date of Resolution passed by the Shareholders of the Company Approving the Scheme	June 21, 2019	Shareholders meeting dispensed with by the National Company Law Tribunal, Allahabad, based on affidavits furnished by all the shareholders consenting to the Scheme
Appointed Date	April 1, 2019	
Effective Date	December 20, 2019	
Name of Exchange where the securities of the Company are Listed	BSE Limited (BSE) and National Stock Exchange of India Limited (NSE)	Presently unlisted* (*Equity shares to be issued by the Resulting Company to the shareholders of the Demerged Company in accordance with the Scheme will be listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE))
Capital before the scheme	Rs. 43,78,64,130/- Divided into 4,37,86,413 equity shares of Rs.10/- each.	Rs. 5,00,000/- Divided into 50,000 Equity Shares of Rs.10/- each.
Capital as on date	Rs. 43,78,64,130/- Divided into 4,37,86,413 equity shares of Rs.10/- each.	Rs. 5,00,000/- Divided into 50,000 Equity Shares of Rs.10/- each.
Share Entitlement to the shareholders of the Demerged Company	In lieu of every 4 (Four) fully paid equity share of Rs.10/- each held in Demerged Company 1 (one) fully paid equity share of the Resulting Company of face value Rs.10/- each; as envisaged in the Scheme.	
Cancellation of shares on account of cross holding, if any	Upon the issue of shares by Resulting Company in the manner provided in the Scheme, the existing shareholding of Demerged Company in Resulting Company shall, without any application or deed, stand cancelled without any payment. Resulting Company is a wholly owned subsidiary of Demerged Company. The current paid up capital of Resulting Company comprises of 50,000 equity shares of Rs.10/- each. Such equity shares held by Demerged Company in Resulting Company would be cancelled under the Scheme.	
Capital after the Scheme	Rs. 43,78,64,130/- Divided into 4,37,86,413 equity shares of Rs.10/- each.	Post-Scheme: Rs.10,94,66,040 /- Divided into 1,09,46,604 equity shares of Rs.10/- each
Net Worth Pre-Demerger	Rs. 12,35,24,30,299/-	Pre-Scheme: Rs. (-147469.50)/-
Net Worth Post-Demerger	Rs. 11,00,95,60,830/-	Post-Scheme: Rs. 134,27,22,000/-

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21|12|2019

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