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District - BULANDSHAHR

Company Petition No. - 41 of 2015

16584
05-11-15

In The Matter Of Jindal Poly Films Limited

.....Petitioner

Formal Order Dated- 05/11/2015

05-11-15
06-11-15
06-11-15
[Signature]



IN THE HIGH COURT OF JUDICATURE AT ALLAHABAD
ORIGINAL JURISDICTION

IN THE MATTER OF COMPANIES ACT, 1956

Scheme of Arrangement between Jindal Photo Limited and Jindal Poly Films
Limited and their respective shareholders and their respective creditors
And

In the matter of

COMPANY PETITION NO. 41 OF 2015
(Under Section 391 to 394 of The Companies Act, 1956)

Connected With

COMPANY APPLICATION NO.10 OF 2015

District Bulandshahar

JINDAL POLY FILMS LIMITED, a company incorporated and existing under
the Companies Act, 1956, having its registered office at 19th K.M., Hapur –
Bulandshahar Road, P.O. – Gulaohi, District – Bulandshahar, Uttar Pradesh.

Petitioner / Resulting Company

Before the Hon'ble Mr. Justice Pankaj Mithal

Dated -12.10.2015

Order on Petition

The above petition coming for hearing on 12th day of October 2015, upon
reading the said petition, the order dated 1.4.2015 whereby the said company was
ordered to convene meetings of the equity shareholders of Jindal Poly Films
Limited for the purposes of considering, and if thought fit, approving with or
without modification, the Scheme of Arrangement proposed to be made between
the said companies and annexed to the affidavit of Shri Sanjeev Kumar filed on
the 30th day of March, 2015 and newspapers Times of India (Lucknow Edition in
English) and Amar Ujala (Lucknow Edition in Hindi) dated 28.4.2015, each
containing the advertisement of the notice convening the said meetings directed to
be held by the order dated 1.4.2015. The affidavits of Shri Pankaj Saxena and
Shri Sharad Malviya, Chairmen were filed on 13th day of May, 2015, showing the
publication and dtspatch of the notices convening the meetings of the

equity shareholders, secured and unsecured creditors of Jindal Poly Films Limited. The report of the Chairmen of the said meetings dated 1.7.2015 as to the result of the said meetings and upon hearing, Shri S.D.Singh, Senior Advocate, assisted by Shri Diptiman Singh, and it appearing from the report that the proposed Scheme of Arrangement has been approved unanimously present and voting in person or by proxy.

In view of the fact that the scheme does not reduce the share capital of either of the companies, does not result in dissolution of any company and that it stands approved by all concerned and is not against the public policy, the same is hereby sanctioned.

A certified copy of this order with the scheme of arrangement be filed before the Registrar of Companies within 14 days of the receipt of certified copy of this order along with formal order or the receipt of the certified copy of any order passed in respect to sanction of the scheme in relation to Jindal Photo Limited whichever is later.

The scheme of arrangement shall come into operation on the registration of the scheme by the respective Registrar of Companies in U.P. and Dadra Nagar Haveli (Union Territory) from the appointed date as per the scheme.

And this Court doth further order:-

That the parties to the scheme of arrangement or other persons interested shall be at liberty to apply to this court for any direction that may be necessary in regard to the working of the scheme of arrangement.

Schedule

- (i) Scheme of Arrangement (Annexure 1 to Company Petition No.41 of 2015), as sanctioned by the Court – Annexed

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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



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PART II
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 no. 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, Demand Road, Dadra - 396193, Dadra & Nagar Haveli (D&NH).

(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 art film, other film and allied products like photographic chemicals, reagents, substances, equipment, instruments, accessories, raw materials and things for advertisement, 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,

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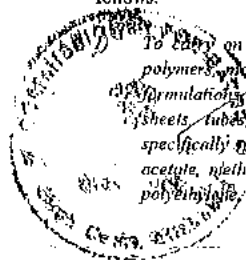
marketing or otherwise dealing in all types and descriptions of video cassettes both blank as well as recorded, video cassette recorders/players, editing tables, video cameras, multi cassette recording decks, video studios and the equipment thereof, color television sets, video-scopes, video-scope screens, monitors and all kinds of accessories, spares, parts, 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 BSB 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. - Gulaotli, Distt - Bulandshahr, Uttar Pradesh.
- (iv) The main objects of the Resulting Company as per its memorandum of association are as follows:

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, polystyrene, polyvinyl acetate, methacrylate, epoxy resins, alkide resins melamine, polyesters such as polyethylene terephthalate and polyethylene, isophthalate, or any other or new



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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, biggers, 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 yarn 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 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, 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 in 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, finishers, re-rollers, 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, wire, flats, plates, blooms, bars, slabs, squares, structural, tubes, poles, pipes, castings, ingots, 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, bitumen, bituminous substances, carbon, carbon black and all other hydrocarbon and mineral substances, butylenes, propylenes, ethylenes, Liquefied Petroleum Gases, Aliphatic Hydrocarbons, lubricating oils and waxes, butadienes, phosphates, nitrates, ores and minerals and in general in all products and subsurface deposits of every nature and description and the products or the by products which may be derived, produced, prepared, developed, compounded,



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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 (NBR), 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, microcellulose sheets plantation of natural rubber, port facilities of storage and handling of styrene, Butadiene, 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.

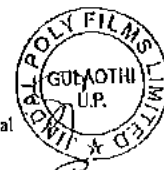
- 8) a) "To establish, operate and maintain power generating stations and tie Lines, sub-stations and main transmission lines connected therewith and/or to carry on in India or elsewhere the business to generate, receive, produce, improve, buy, sell, resell, acquire, use, transmit, accumulate, employ, 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, sub-stations 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



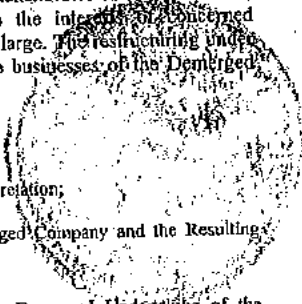
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The transfer of the Demerged Undertaking from the Demerged Company to the Resulting Company pursuant to this Scheme shall be in the interest to both the Demerged Company and the Resulting Company in the following ways:

- (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/residual terms and conditions.



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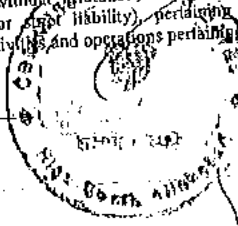
DEFINITIONS

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" 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, 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, 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 unasserted, 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;

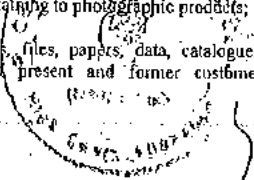
AM Note: To confirm.



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(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 at IGC 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 of 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



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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

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- 1.3.1 The terms "hereof", "herein", "hereby", "herein" 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 modification(s) 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.



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SHARE/CAPITAL STRUCTURE

2. 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	
42,047,713 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.



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PART III
TRANSFER OF DEMERGED UNDERTAKING

SECTION A

3. TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING 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:

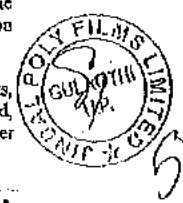
(i) All the moveable assets capable of being transferred by delivery including plant and machinery, investments shall be handed over by physical delivery (together with duly executed transfer forms or other documents as may be required) to the Resulting Company along with such other documents as may 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 therefor 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



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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 creditor, 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

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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, employee 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.



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- 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(1)(a), 293(1)(d), 293, 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 in conformity with conditions contained in Section 2(19AA) of the Income Tax Act, 1961. Such modification shall however not affect other parts of the Scheme.
- (c)
- 3.21 Conduct of business till Effective Date

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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.

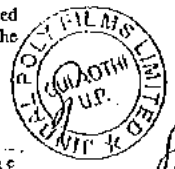
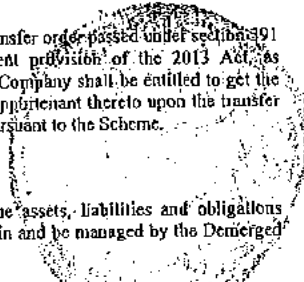
3.21.2. Conduct of business on Effective Date

- (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 sections 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.



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PART II
 CONSIDERATION, ACCOUNTING, THE SCHEME AND THE ARRANGEMENTS

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 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 of face value of Rs. 10/- each held in the Demerged Company, as on the Record Date, every equity shareholder of the Demerged Company shall without any application, act or deed, be entitled to receive 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 of Rs 10/- each for 59 (Fifty Nine shares) of Rs. 10 each of Demerged Company on the Scheme becoming effective;"

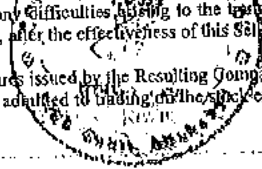
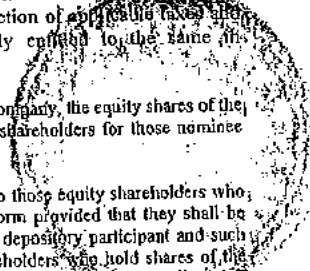
4.2 In case any member's holding in the Demerged Company is such that the member becomes entitled to a fraction of an equity share of the Resulting Company in terms of Clause 4.1 above, the Resulting Company shall not issue fractional shares to such member(s) but shall instead consolidate all such fractional 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 relating to the transfer 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



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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, 397 of the 2013 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 pursuant 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 policies 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.

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PART V
GENERAL/RESIDUAL 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 & Uttaranchal 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 & Uttaranchal. 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

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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.



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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.



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Schedule II

(Details of Immovable Properties)

- (1) Freehold Factory Land comprising of Unit No. I, Roll Film Unit No. II and PPD Unit and including residential units of staff aggregate measuring 42467 Sqm. survey number 260/23 at Sheetal Industrial Estate, Demani Road, Dadra-396193, Dadra & Nagar Haveli (U.T).
- (2) Freehold Factory Land including residential units of staff measuring 27468 Sqm. survey number 173/2 & 178/2 at Village-Sarigam (Bhilad), Distt-Valsad (Gujrat).
- (3) Leaschold Factory Land including residential units of staff aggregate measuring 80 Kanals at J&K SIDCO, Phase I, IOC Samba, Samba (Jammu).
- (4) Freehold Industrial Gala (Shed) No. 4 & 13 at Amli, Silvassa - 396230, Survey/ Plot No. 126 P, measuring 107.76 Mtrs.



Dated this 5th day of November, 2015
 (By the Court)

Compared by
[Signature]
 6/11/15

Asst
05-11-15
 I/c Registrar General

[Signature]
 5/11/2015
 5-11-2015
 8-0
 D.R.

TRUE COPY
 6/11/15

Section Officer
 Copying 'D' Department
 High Court, Allahabad

