

Submitted to

**Jindal Poly Films Limited**

**FAIRNESS OPINION REPORT**

**On Valuation Report**

**Provided by**

**S.R. Dinodia & Co. LLP**  
**(Chartered Accountants) (SRD)**

**on Scheme of Amalgamation**

**Between**

**Jindal Poly Films Limited (JPFL)**

**And**

**Global Nonwovens Limited (GNWL)**

**BY**

**M/s SPA CAPITAL ADVISORS LIMITED**

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**August 23, 2016**

**Board of Directors**

**Jindal Poly Films Limited**

**Plot No. 12, Sector B-1,**

**Vasant Kunj, Local Shopping Complex**

**New Delhi - 110 070**

**RE: Fairness Opinion on share exchange ratio valuation report provided by SRD  
on scheme of Amalgamation of GNWL into JPFL**

**PURPOSE**

We have been engaged to give fairness opinion on the share exchange ratio valuation report provided by SRD on scheme of amalgamation of GNWL into JPFL. This report should be read in conjunction with Valuation report dated August 19, 2016 prepared by SRD.

The fairness opinion report is required to be submitted to the stock exchanges to facilitate the companies with regulation 11, regulation 37 & regulation 94 of the Securities Exchange Board of India (Listing obligation and disclosure Requirements; (SEBI) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/16/2015 dated 30th November 2015).

**BACKGROUND**

**JINDAL POLY FILMS LIMITED (JPFL OR AMALGAMATED COMPANY):**

Jindal Poly Films Limited is a listed public company incorporated on 09 September, 1974 under The Companies Act, 1956. Its registered office is at 19th K M Hapur Bulandshahr road, PO Gulaothi, Bulandshahr, Uttar Pradesh. JPFL is a part of the INR 30 billion B.C. Jindal group, a 58 year old industrial group offering a wide range of products. The group has promoted a number of companies over the years and is

involved in diverse activities including manufacturing of Polyester Film, Polypropylene film, Steel pipes and Photographic products. The Company also has overseas subsidiaries which are engaged in manufacturing of BOPP Films.

JPFL is the largest manufacturer of Biaxially-oriented polyethylene terephthalate (BoPET) and Biaxially Oriented Polypropylene Films (BOPP) in India. The product line consists of:

- BOPET film
- BOPP film
- Metalized BOPET film and BOPP film
- Coated BOPET and BOPP films.
- Polyester chips (for captive consumption in the BOPET film)

**GLOBAL NONWOVENS LIMITED (GNWL OR AMALGAMATING COMPANY):**

Global NonWovens Limited is a unlisted public company incorporated on 15 June, 2012 under the Companies Act 1956. It's registered office is at 102/B,1st Floor, Poonam Chambers B (North), Shivsagar Estate, Plot G, Annie Besant Road, Worli Mumbai, Maharashtra- 400018, India.

GNWL is engaged in the manufacturing of spunbound and spunmelt nonwoven fabric made of polypropylene filament at its Nashik Plant. These are used in Hygiene, Medical, Packaging, Agriculture and Automotive industries.

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



**INFORMATION RELIED UPON**

- ⊕ Scheme of Amalgamation provided by JPFL.
- ⊕ Draft Share Valuation report as on March 31, 2015 of GNWL along with computation of Share Swap ratio provided by SRD dated August 19, 2016.
- ⊕ Draft Share Valuation report as on March 31, 2015 of GNWL provided by SRD dated August 19, 2016.

**VALUATION APPROACHES USED BY SRD**

SRD used the following methodologies to compute the share valuation of JPFL and GNWL:

**JPFL:**

- Income Approach
- Market Approach
- Assets Approach

**GNWL:**

- Income Approach
- Assets Approach

Using the above approaches, SRD has derived at a swap ratio as mentioned below:

Calculation of Swap Ratio	Value per share
Value per share of JPFL	722.17
Value per share of GNWL	9.98
<b>SWAP Ratio</b>	<b>72.36</b>

**CONCLUSION**

**SUMMARY OF SWAP RATIO DETERMINED BY SRD**

The swap ratio as recommended by SRD is 0.014 (ie for every 72 shares in GNWL, 1 share of JPFL will be issued as purchase consideration).

Further, as mentioned by SRD in their report and as decided by the Board of JPFL vide resolution dated August 6th, 2016 the remaining 39.60% of equity shares of GNWL are to be purchased by JPFL. This exercise has been completed by 11<sup>th</sup> August 2016, and accordingly as on the date of the issue of the report GNWL is wholly owned subsidiary of JPFL.

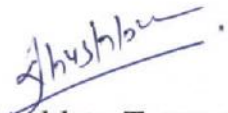
Post approval of scheme of amalgamation all the shares held by JPFL in GNWL would be cancelled, and there will no issuance of shares by JPFL thus there would be no change in share holding structure on merger under the Scheme of Amalgamation.

On the basis of the foregoing and based on the information and explanation provided to us, in our opinion, the swap ratio determined is fair and reasonable.

For SPA Capital Advisors Limited



**Sourabh Garg**  
Vice President



**Khushboo Tanwar**  
Manager