



भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

General Manager

CORPORATION FINANCE DEPARTMENT
DIVISION OF CORPORATE RESTRUCTURING

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सेबी/एचओ/सीएफडी/डीसीआर2/पी/ओडब्ल्यू/2021/31532/1

SEBI/HO/CFD/DCR2/P/OW/2021/31532/1

November 03, 2021

Kind Attention: Mr. Manoj Kumar Rastogi (Managing Director)

Universus Photo Imagings Ltd.
19th KM, Hapur, Bulandshahr Road,
PO Gulaothi, Bulandshahr,
Uttar Pradesh-245408

महोदय,

Sir,

APPROVAL FOR EXEMPTION U/R 42(1) OF SEBI (DELISTING OF EQUITY SHARES)
REGULATIONS, 2021

1. This is in regard to an application dated July 06, 2021 (hereinafter referred to as “**the Application**”) received by SEBI in the matter of Universus Photo Imagings Limited (“**Applicant Company/UPIL**”) (hereinafter referred to as an “**Target Company**”) under Regulation 42(1) of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (“**Delisting Regulation**”) seeking exemption from certain provisions of Delisting Regulation. The Applicant Company has also furnished further submissions/clarifications vide emails dated July 20, 2021, October 01, 2021, October 19, 2021 and November 01, 2021.
2. The gist of the submissions made in the Application dated July 06, 2021 and in additional submissions made on October 01, 2021 offered by the applicant company is as under:
 - a) Prior to the demerger from Jindal Poly Films Ltd., Applicant Company was a wholly owned subsidiary of Jindal Poly Films Ltd. With the objective to restructure and streamline the business segments of the demerged company, a scheme of demerger was filed by Jindal Poly Films Ltd. with the Hon'ble National Company Law Tribunal vide its order dated December 09, 2019, the photo films business was demerged from Jindal Poly Films Ltd. into Universus Photo Imagings Ltd. It is noted that for every 4 equity shares of face value of Rs. 10/- each held in the demerged company, as on record date, every equity shareholder of the demerged

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- company without any application, act or deed, were entitled to receive 1 equity share of face value of Rs. 10/- each of the Resulted company.
- b) By virtue of demerged company being a listed entity, UPIL mandatorily got listed on BSE and NSE pursuant to scheme of demerger. There is no change in the Promoters Shareholding from the date of listing and is same at 74.55%.
 - c) Merely 1 month after its listing, COVID stuck and hampered the business operation and company was not able to put its resources and efforts into growth plans as planned earlier.
 - d) To avoid any situation of sudden loss in value of shares, the management found the delisting of company's shares as best viable option to provide exit to the shareholders at a fair value through Reverse Book Building ("RBB") process.
 - e) The scrip of the company is thinly traded on BSE and NSE representing merely 3.83% and 17.61% respectively of the total number of shares of the company during 12 months from October 01, 2020 to October 01, 2021.
 - f) Delisting would provide an exit opportunity to the public shareholders. By delisting, the shareholders who seem to have been stuck with their valuable money in the Company, will get an opportunity to tender their shares in delisting offer and they may invest the same in other growth stocks.
 - g) During the last Fiscal, there has been a dip in the turnover as well as the profitability figures of the Company, which again is one of the reasons leading to a low trading volume and liquidity, in the Company's scrips.
 - h) The Company is not even expecting any expansion plans in near future and consequently growth/ liquidity may virtually remain at same thresholds.
 - i) JPFL being a listed company for more than 25 years, hence, the instant case is different from a Company which is fresh listed Company by way of Initial Public Offerings, and wanting to get delisted prior to 3-year track record. For a case like UPIL, which have got listed pursuant to a Scheme and the parent entity has been a listed entity for more than 25 years, this condition may be dispensed with.
 - j) Delisting shall be done so primarily the stuck shareholders get an opportunity to realize immediate and certain value for their shares at a time of elevated market volatility.
 - k) UPIL is a case, wherein proposed delisting will be through the Reverse Book Building mechanism. The Floor Price would be determined considering the financials of the Company and the Discovered Price would be determined in accordance with the reverse book building mechanism, as set out in the Delisting Regulations.
 - l) Waiting for 2 more years to comply with Regulation 4(1)(a) of the SEBI Delisting Regulations, may cost 2 years of opportunity loss to investors at large. There are more than 34,500 public shareholders in the Company.
 - m) Thus, an exemption sought is purely in the interest of the investors who wish to take exit from the Company and the exit price offered shall be in accordance with the Delisting Regulations.
3. The material available on record has been perused. Regulation 42 of Delisting Regulations, *inter alia*, empowers SEBI to relax strict enforcement of any of the requirements which is procedural in nature, if it is satisfied that the relaxation is in the interests of the investors in the securities market. Therefore, the only parameter that needed to be tested was whether the relaxation, if given, would be in the interest of the investors of securities market.

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4. It is noted that the Target Company is a company listed on BSE and NSE and has 34, 520 public shareholders as on date of application (July 06, 2021) and has low trading on exchanges. Due to low liquidity in the scrip of the company, shareholders might face difficulty in exiting the scrip and liquidate their holding.
5. It may be mentioned that Regulation 4(1)(a) of the Delisting Regulations restrict companies to apply for delisting unless a period of three years has elapsed since the listing of that class of equity shares on any recognised stock exchange. The rationale for insertion of the aforesaid requirement was to restrain the promoters to raise money from the public and exit the company on receipt of the IPO proceeds.
6. However, in the instant matter, UPIL has not raised any money from the public prior to getting listed. Instead, the company has got listed pursuant to a scheme and the parent entity has been a listed entity for more than 25 years. Further, there has been no change in the promoters shareholding from the date of listing.
7. Hence, in the instant matter, exemption from complying from the strict provisions of Regulation 4(1)(a) of the Delisting Regulations would not cause any prejudice to the interests of any public shareholders or the interest of the securities markets, if any relaxation/exemption is granted to the Applicant Company.
8. Considering the aforesaid, the competent authority finds that compliance with the processes/requirements contemplated in the Delisting Regulations by the Applicant Company which has miniscule trading, should not be required and therefore, this is a fit case to exercise powers conferred under Regulation 42 of the Delisting Regulations and thus on November 01, 2021 has approved grant of relaxation from the strict compliances of Regulation 4(1)(a) of Delisting Regulations to the Applicant Company, for the reasons stated above subject to the following conditions:
 - i. The exemptions granted herein are based on the submission made by the applicant company which the applicant company has represented as true and accurate. In case, at later stage, if found that the submissions made were untrue, inaccurate and not based on facts, the exemptions granted herein shall lapse and that the Applicant Company, its promoter(s) and director(s) shall be responsible for appropriate enforcement actions that SEBI shall deem fit.
 - ii. The Applicant Company is in compliance with provisions of all other applicable laws.
 - iii. The applicant company shall initiate voluntary delisting of its equity shares within a period of 1 month from the date of receipt of this communication.
 - iv. Subject to the above, the Applicant shall comply with all other conditions, including those pertaining to determination of the offer price, stipulated in Chapter IV of the SEBI (Delisting of Equity Shares) Regulations, 2021.
 - v. The offer price shall be paid to tendering shareholders only through banking channels through crossed account payee cheque / crossed demand draft / electronic banking channels to enable audit trail.

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- vi. Pursuant to delisting of company's equity shares, the promoters shall continue to accept shares tendered by any remaining public shareholder, for upto a period of two years from the date of delisting, at the same price at which the earlier acceptance of shares was made.
- vii. It should be disclosed in the letter of offer to the shareholders that SEBI has granted relaxation from applicability of certain regulations of delisting regulations subject to the conditions mentioned herewith.
- viii. This exemption letter should form part of documents for inspection for the public shareholders in the letter of offer.

9. This is being issued with the approval of the competent authority.

Yours faithfully,


Achal Singh