

**CERTIFIED TRUE COPY  
For EPL LIMITED**

  
**SURESH SAVALIYA  
HEAD - LEGAL & COMPANY SECRETARY**



**Report of the Independent Directors (ID Committee or IDs or Committee) of EPL Limited on Scheme of Amalgamation of Creative Stylo Packs Private Limited with EPL Limited.**

**This Report is considered and approved by Directors on in the meeting held on 12 November 2020. All Independent Directors present and participated.**

## **1 Background**

- 1.1. Independent Directors have considered the proposed Scheme of Amalgamation or Merger under Sections 230 to 232 and applicable provisions of the Companies Act 2013, between Creative Stylo Packs Private Limited (CSPL or the Transferor Company) and EPL Limited (the Company or EPL or the Transferee Company) and their respective Shareholders and creditors (the Scheme).
- 1.2. The Equity shares of EPL Limited are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company will be filing the Scheme along with necessary documents with the above mentioned Stock Exchanges for their no objection or observation letter pursuant to regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and applicable statutory provisions.
- 1.3. It was briefed about the proposed Merger, valuation and share exchange ratio. The Committee reviewed the (a) Draft Scheme, (b) Valuation Report issued by SSPA & Co., Chartered Accountants and registered valuer, (c) Fairness Opinion issued by Keynote Financial Services Private Limited, SEBI Registered merchant banker, and (d) presentation circulated by CEO and MD, and relevant documents relating to the Merger.
- 1.4. IDs have reviewed about the requirement of SEBI Circular dated 10 March 2017 to read with circular dated 3 November 2020 relating to requirement of "Report from the Committee of Independent Directors recommending the draft Scheme, taking into consideration, *inter alia*, that the scheme is not detrimental to the shareholders of the listed entity".

## **2 Proposed Scheme and review**

- 2.1 The salient features of the draft Scheme are as under.
  - a) Merger of Creative Stylo Pack Private Limited (the Transferor Company) into EPL Limited (the Transferee Company), transfer of Undertaking of Transferor Company and issue of equity shares by EPL to the shareholders of CSPL.
  - b) Rationale, objective & purpose of the Scheme are as described in detail in the Scheme.



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- c) In consideration for the Amalgamation of the Transferor Company with EPL Limited as per the Scheme and based on the Valuation Report issued by SSPA & Co (Valuation Report), and fairness opinion issued by Keynote Financial Services Limited (Fairness Opinion) will issue equity shares to the shareholders of the Transferor Company in the following ratio:

“2500 equity shares of EPL (Transferee Company) of INR 2 each fully paid up for every 927 equity shares of CSPL (Transferor Company) of INR 10 each fully paid up.”

Shares to be held by EPL Limited in Transferor company (after completion of the Acquisition of 72.46% stake in CSPL) shall be cancelled or extinguished.

- 2.2 Pursuant to the Scheme, the Company shall do necessary accounting entries post the Amalgamation effective, as per the applicable accounting principles prescribed under Indian Accounting Standards (IndAS)
- 2.3 The Committee considered that the Fairness Opinion confirmed that the Share Entitlement / Allotment as mentioned in the Valuation Report is fair to the EPL Limited and Transferee Company, and their respective shareholders.
- 2.4 The Committee noted that the equity shares of EPL to be issued to the shareholders of the Transferor Company pursuant to the Scheme shall be listed on the stock exchanges BSE and NSE.

### 3 Recommendations of the Committee

ID Committee considered the Scheme and after due deliberations and discussion on relevant provisions of the Scheme, share exchange ratio, valuation report, fairness opinion, recommended the draft Scheme of Amalgamation for favourable consideration and of the opinion that the Scheme is not detrimental to the shareholders of EPL Limited.

For Committee of IDs  
EPL Limited



Davinder Singh Bjar  
Independent Director  
Chairman



Date: 12 November 2020  
Place: Mumbai

