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# KEYNOTE

25  
— YEARS —  
OF CREATING  
VALUE  
THROUGH  
RELATIONSHIPS  
AND  
TRUST

November 12, 2020

**The Board of Directors**  
**EPL Limited**  
Top Floor, Times Tower, Kamala City  
Senapati Bapat Marg, Lower Parel  
Mumbai – 400 013

Dear Sir(s)/Madam(s),

**Reg: Fairness Opinion in connection with the proposed acquisition of Creative Stylo Packs Private Limited ("CSPPL") by EPL Limited ("EPL")**

Keynote Financial Services Limited ("Keynote" or "we" or "us") is a Category I Merchant Banker registered with Securities Exchange Board of India ("SEBI"). We understand that the Board of Directors of EPL are contemplating an acquisition of CSPPL. The consideration for acquisition is being proposed to be paid partly through cash and partly through equity shares of EPL through Merger.

In connection with the aforesaid, we have been requested by the management of EPL to issue a Fairness Opinion, as to the fairness of the valuation of the proposed transaction as on November 12, 2020 ("Valuation Date"). We have perused the documents/ information provided by you in respect of the said Scheme and the Valuation Report as issued by SSPA & Co, Chartered Accountants dated November 12, 2020 and state as follows:

**Company Profile:**

***EPL Limited***

EPL Limited (formerly known as Essel Propack Limited), is the largest specialty packaging global company, manufacturing laminated plastic tubes catering to the FMCG and Pharma space. EPL functions through 19 state of the art facilities and in 10 countries, selling circa 8 billion tubes and is the world's largest manufacturer of laminated plastic tubes with units operating across countries such as USA, Mexico, Colombia, Poland, Germany, Egypt, Russia, China, Philippines and India.

***Creative Stylo Packs Private Limited***

Creative Stylo Packs Pvt. Ltd. is an established manufacturer of laminated tubes, plastic co-ex tubes, corrugated boxes and caps—primarily serving personal care, pharmaceuticals, cosmetic, FMCG and Pesticide markets.



**CERTIFIED TRUE COPY  
For EPL LIMITED**

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

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### Rationale of the Report:

The acquisition of CSPPL by EPL would include the following benefits:

- a) CSPPL has significant wallet share in some customers and therefore EPL's wallet share of the same customers get a boost after the Merger. Merger will strengthen high end decoration capabilities of plastic business of EPL and thereby enhance EPL's ability to win Beauty and Cosmetics customers. Accordingly, the Merger will bring focus of EPL back to plastic tubes.
- b) The synergistic benefits arising from the amalgamation would result in an even more effective business strategy for EPL and in greater efficiency, cost management, centralization of resources and technologies and cost effectiveness in the functioning and operation of EPL.
- c) The amalgamation will make available assets, financial, managerial and technical resources, personnel, capabilities, skills, expertise and technologies of CSPPL and EPL leading to synergistic benefits, enhancement of future business potential, cost reduction, enhance efficiencies, productivity gains and logistical advantages, thereby contributing to future growth and enhancement of shareholder value.
- d) The Scheme will result in economies of scale and consolidation of opportunities offered by the Scheme which will contribute to make EPL more profitable, thereby further enhancing the overall shareholder value.

### Our Recommendation:

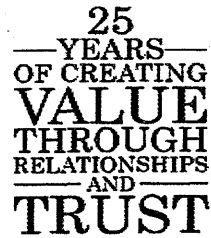
As stated in the Valuation Report by SSPA & Co, Chartered Accountants, they have recommended the following:

**"2,500 (Two Thousand Five Hundred) equity shares of EPL of INR 2 each fully paid up for every 927 (Nine Hundred and Twenty Seven) equity shares of CSPPL of INR 10 each fully paid up."**

The aforesaid sale shall be pursuant to the Scheme of Amalgamation and shall be subject to receipt of approval from any competent authority as may be applicable and other statutory approvals as may be required. The detailed terms and conditions of the merger are more fully set forth in the Scheme of



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Amalgamation. Keynote has issued the Fairness Opinion with the understanding that Scheme of Amalgamation shall not be materially altered and the parties hereto agree that the Fairness Opinion would not stand good in case the final Scheme of Amalgamation alters the transaction.

Based on the information, data made available to us, to the best of our knowledge and belief, the Equity Value as recommended by SSPA & Co, Chartered Accountants in relation to the proposed Scheme of Amalgamation is fair to the equity shareholders of EPL and CSPPL in our opinion.

### Sources of Information:

For arriving at the Fairness Opinion set forth below, we have relied upon the following sources of information:

- Valuation Report by SSPA & Co, Chartered Accountants dated November 12, 2020.
- Scheme of Amalgamation between EPL and CSPPL.
- Letter of Representation from the management of EPL.
- Annual reports for FY 2019-2020 of EPL and CSPPL.
- Letter of Representation from the management of EPL.

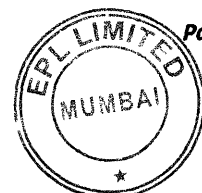
In addition to the above, we have also obtained such other information and explanations, which were considered relevant for the purpose of our Analysis from the management of EPL.

### Exclusions and Limitations:

We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by the companies for the purpose of this opinion. Our work does not constitute an audit or certification or due diligence of the working results, financial statements, financial estimates or estimates of value to be realized for the assets of the companies. We have solely relied upon the information provided to us by the companies. We have not reviewed any books or records of the companies (other than those provided or made available to us). We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties or facilities of the companies and neither express any opinion with respect thereto nor accept any responsibility therefore. We have not made any independent valuation or appraisal of the assets or liabilities of the companies. We have not reviewed any internal management information statements or any non-public reports, and, instead, with your consent we have relied upon information which was publicly available or provided or otherwise made available to us by the companies for the purpose of this opinion. We are not experts in the evaluation of litigation or other actual or threatened claims and hence have not commented on the effect of such litigation or claims on this opinion. We are not legal, tax, regulatory or actuarial advisors. We are financial advisors only and



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have relied upon, without independent verification, the assessment of the companies with respect to these matters. In addition, we have assumed that the Scheme of Amalgamation will be approved by the regulatory authorities and that the proposed Transaction will be consummated substantially in accordance with the terms set forth in the Scheme of Amalgamation.

We understand that the management of the companies during our discussion with them would have drawn our attention to all such information and matters which may have an impact on our analysis and opinion.

We have assumed that in the course of obtaining necessary regulatory or other consents or approvals, no restrictions will be imposed that will have a material adverse effect on the benefits of the Proposed Transaction that the companies may have contemplated. Our opinion is necessarily based on financial, economic, market and other conditions as they currently exist and on the information made available to us as of the date hereof. It should be understood that although subsequent developments may affect this opinion, we do not have any obligation to update, revise or reaffirm this opinion. In arriving at our opinion, we are not authorized to solicit, and did not solicit, interests for any party with respect to the acquisition, business combination or other extra-ordinary transaction involving the companies or any of their assets, nor did we negotiate with any other party in this regard.

We have acted as a financial advisor to the companies for providing a Fairness Opinion and will receive a fee for our services.

In the ordinary course of business, Keynote is engaged in securities trading, securities brokerage and investment activities, as well as providing investment banking and investment advisory services. In the ordinary course of its trading, brokerage and financing activities, any member of Keynote may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or senior loans of any company that may be involved in the Transaction.

The Fairness Opinion is addressed only to the Board of Directors of the company and is for the purpose of submission to the Stock Exchanges under the SEBI Circular. Further, the Fairness Opinion may be disclosed on the website of the companies and the Stock Exchanges and also be made part of the explanatory statement to be circulated to the shareholders and/ or creditors of the Company. The Fairness Opinion should be read in totality and not in parts. The Fairness Opinion shall not otherwise be disclosed or referred to publicly or to any other third party without Keynote's prior written consent. If this Fairness Opinion is used by any person other than whom it is addressed or for any purpose other than the purpose state hereinabove, then we will not be liable for any consequences thereof.

We express no opinion whatever and make no recommendation at all as to the companies' underlying decision to effect to the Proposed Transaction or as to how the holders of equity shares or preference shares or secured or unsecured creditors of the companies should vote at their respective meetings, if any, held in connection with the Transaction. We do not express and should not be deemed to have expressed any views on any other terms of Transaction. We also express no opinion and accordingly accept no responsibility for or as to the prices at which the equity shares of the companies will trade following the



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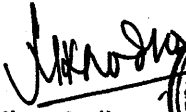
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announcement of the Transaction or as to the financial performance of the companies following the consummation of the Transaction.

In no circumstances however, will Keynote Financial Services Limited or its associates, directors or employees accept any responsibility or liability to any third party and in the unforeseen event of any such responsibility or liability being imposed on Keynote Financial Services Limited or its associates, directors or employees by any third party, the companies and their affiliates shall indemnify them.

For Keynote Financial Services Limited

  
**Nipun Lodha**  
Exec. Vice President - *Chief Corporate Finance*

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