

FAIRNESS OPINION REPORT
ON
SHARE EXCHANGE RATIO
FOR
THE PURPOSE OF PROPOSED AMALGAMATION
OF
KUNAL PLASTICS PRIVATE LIMITED ("KPPL")
("TRANSFEROR COMPANY")
WITH
ECOPLAST LIMITED ("ECOPLAST")
("TRANSFeree COMPANY")
AND
THEIR RESPECTIVE SHAREHOLDERS
BY



Navigant

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SEBI Registration No. INM000012243



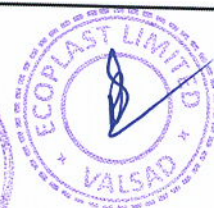
Notice to Reader

Navigant Corporate Advisors Limited ("Navigant" / "NCAL" or "Authors of the Report") is a SEBI registered 'Category I' Merchant banker in India and was engaged by Board of Directors of Ecoplast Limited ("Ecoplast" or "Transferee Company") to prepare an Independent Fairness Opinion Report ("Report") with respect to providing an independent opinion and assessment as to fairness of Share Exchange Ratio / Swap Ratio determined by Bhavesh M Rathod, Registered Valuer (Securities or Financial Assets) IBBI Registration No. IBBI/RV/06/2019/10708 (referred to as "Valuer") an Independent Valuer for the purpose of Amalgamation of Kunal Plastics Private Limited ("KPPL" / "Transferor Company") with Ecoplast Limited ("Ecoplast" or "Transferee Company") pursuant to a Scheme of Amalgamation under section 230 to 232 read with other relevant provisions of the Companies Act, 2013 ("Scheme"). Ecoplast and KPPL are collectively referred as "Companies".

The Fairness Opinion Report ("Report") has been prepared on the basis of the review of information provided to Navigant and specifically the Report on Share Exchange Ratio / Swap Ratio (hereinafter referred as Valuation Report) prepared by Valuer on an independent basis. This report is limited to provide its fairness opinion on the Valuation Report.

The information contained in this Report is selective and is subject to updations, expansions, revisions and amendment. It does not purport to contain all the information recipients may require. No obligation is accepted to provide recipients with access to any additional information or to correct any inaccuracies which might become apparent.

This Report is based on data and explanations provided by the management and certain other data pulled out from various websites believed to be reliable. Neither the Company nor Navigant, nor affiliated bodies corporate, nor the directors, shareholders, managers, employees or agents of any of them, makes any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information contained in the Report. All such parties and entities expressly disclaim any and all liability for or based on or relating to any such information contained in, or errors in or omissions from, this Report or based on or relating to the Recipients' use of this Report.



Date: 14.12.2024

To,
The Board of Directors,
Ecoplast Limited ("Ecoplast"),
Add: N H Road No. 8, Water Works Cross
Road, Abrama, Valsad,
Gujarat - 396001, India

To,
The Board of Directors,
Kunal Plastics Private Limited ("KPPL")
Add: 401, Ashiyana Appt No. 7, Tithal Road,
Tithal, Valsad,
Gujarat - 396001, India.

Dear Members of the board,

Engagement Background

We understand that the Board of Directors of Ecoplast Limited ("Ecoplast" or "Transferee Company") and Kunal Plastics Private Limited ("KPPL" / "Transferor Company") are proposing amalgamation of KPPL with Ecoplast Limited ("Ecoplast" or "Transferee Company") and are considering a proposed Scheme of Amalgamation of Kunal Plastics Private Limited with Ecoplast Limited and their respective shareholders, ("the Scheme") for Amalgamation under the provisions of Sections 230 to 232 read with other relevant provisions of the Companies Act, 2013, as may be applicable.

We understand that the Valuation as well as the swap ratio thereof is based on the Valuation Certificate dated 14.12.2024 issued by Bhavesh M Rathod, Registered Valuer (Securities or Financial Assets) IBBI Registration No. IBBI/RV/06/2019/10708 (referred to as 'Valuer').

We, Navigant Corporate Advisors Limited, a SEBI registered Category-I Merchant Banker, have been engaged by Ecoplast to give a fairness opinion ("Opinion") on Valuation Certificate dated 14.12.2024 issued by Bhavesh M Rathod, Registered Valuer (Securities or Financial Assets) IBBI Registration No. IBBI/RV/06/2019/10708 (referred to as 'Valuer').



Background of the Companies

Kunal Plastics Private Limited ("KPPL" / "Transferor Company")

Kunal Plastics Private Limited (the "Transferor Company" or "KPPL") is a private company, limited by shares, incorporated under the provisions of erstwhile Companies Act, 1956 on 26th December, 1983 and having its registered office at 401, Ashiyana Appt No. 7, Tithal Road, Tithal, Valsad, Gujarat - 396001, India. The Corporate Identification Number of the Transferor Company is U25209GJ1983PTC156834. The Transferor Company was originally incorporated as a private limited company in the State of Maharashtra. Subsequently, the registered office of the Transferor Company was shifted from the State of Maharashtra to Gujarat with effect from November 11, 2024. It is engaged in the business of manufacturing, processing and marketing of co-extruded plastic film, mono films, laminates, sheets, moulded and extruded products, printed bags and tubings for packaging, industrial, agricultural and consumer applications.

Further Details of the Company:

CIN	U25209GJ1983PTC156834
Company Name	Kunal Plastics Private Limited
ROC Name	ROC Ahmedabad
Registration Number	156834
Date of Incorporation	26/12/1983
Email Id	balan@propackind.com
Registered Address	401 Ashiyana Appt No.7, Tithal Road, Tithal, Valsad, Valsad, Gujarat, India, 396001
Address at which the books of account are to be maintained	Zari Causeway Road, Kachigam, Nani Daman, Daman and Diu, India, 396210
Listed in Stock Exchange(s) (Y/N)	No
Category of Company	Company limited by shares
Subcategory of the Company	Non-government company
Class of Company	Private
ACTIVE compliance	ACTIVE Compliant
Authorised Capital (Rs)	25,00,000
Paid up Capital (Rs)	25,00,000
Date of last AGM	10/08/2024
Date of Balance Sheet	31/03/2024
Company Status	Active
Jurisdiction	
ROC (name and office)	ROC Ahmedabad
RD (name and Region)	RD, North Western Region



Directors and Key Managerial Persons:

DIN/PAN	Name	Appointment date	Designation
00233892	Amita Jaymin Desai	26/12/1983	Whole-time director
00233935	Charulata Nitin Patel	26/12/1983	Director
07009335	Nirav Harshdrai Desai	01/04/2016	Whole-time director
00397153	Alka Bankim Desai	26/12/2006	Director

Shareholding Pattern:

Details	No. of Shares	% holding
Promoter	25,000	100%
Public	-	-
Total	25,000	100%

Face Value Per Share is Rs. 10.00/-

Ecoplast Limited ("Ecoplast" or "Transferee Company")

Ecoplast Limited (the "Transferee Company" or "Ecoplast"), is a listed public company, incorporated under the provisions of the erstwhile Companies Act, 1956 on 07th May, 1981 and having its registered office at N H Road No. 8, Water Works Cross Road, Abrama, Valsad, Gujarat - 396001, India. The Corporate Identification Number of the Transferee Company is L25200GJ1981PLC004375. The Transferee Company was originally incorporated as a private limited company in the name of Ecoplast Private Limited in the State of Gujarat. Upon conversion of the Transferee Company from private limited company to public limited company, the name of the Transferee Company was changed to Ecoplast Limited with effect from 11th July, 1994. It is engaged in the business of manufacturing, processing and marketing of Co-extruded Plastic Film for packaging, industrial and other specialty applications. The equity shares of the Transferee Company are listed on BSE Limited ("BSE" or the "Stock Exchange").

Further Details of the Company:

CIN	L25200GJ1981PLC004375
Company Name	Ecoplast Limited
ROC Name	ROC Ahmedabad
Registration Number	004375
Date of Incorporation	07/05/1981
Email Id	rakeshkumawat@ecoplastindia.com
Registered Address	N H Road No 8 Water Works Cross Road Abrama, Valsad, Gujarat, India, 396001
Address at which the books of account are to be maintained	-
Listed in Stock Exchange(s) (Y/N)	Yes
Category of Company	Company limited by shares
Subcategory of the Company	Non-government company
Class of Company	Public
ACTIVE compliance	ACTIVE Compliant



Authorised Capital (Rs)	10,00,00,000
Paid up Capital (Rs)	3,00,00,000
Date of last AGM	16/08/2024
Date of Balance Sheet	31/03/2024
Company Status	Active
Jurisdiction	
ROC (name and office)	ROC Ahmedabad
RD (name and Region)	RD, North Western Region

Directors and Key Managerial Persons:

DIN/PAN	Name	Appointment date	Designation
00156221	Jaymin Balwantraai Desai	23/06/1990	Managing Director
00233935	Charulata Nitin Patel	08/11/2014	Director
00049574	Dhananjay Thakorbhai Desai	28/05/2015	Director
09046341	Atul Jai Kishandas Baijal	11/02/2021	Whole-time director
-	Rakesh Kumar Kumawat	13/12/2021	Company Secretary
-	Setu Rushi Parikh	04/11/2023	CFO
01690748	Bikash Ranjan Tarafdar	01/06/2024	Director
07712312	Jay Ketan Shroff	01/06/2024	Director
09220091	Ravi Amulbhai Mehta	01/06/2024	Whole-time director
09220379	Aditya Nitinkumar Patel	01/06/2024	Whole-time director
10619958	Monil Vijay Shah	01/06/2024	Director

Shareholding Pattern:

Details	No. of Shares	% holding
Promoter	21,67,108	72.24%
Public	8,32,892	27.76%
Total	30,00,000	100%

Face Value Per Share is Rs. 10.00/-



Transaction Overview and Rational

As per the draft Scheme, the amalgamation of the Transferor Company with the Transferee Company would *inter alia* have the following benefits:

- The Transferor Company and the Transferee Company are part of the same promoter group and are engaged in similar line of business and the proposed amalgamation pursuant to this Scheme will create synergies amongst the business;
- The proposed amalgamation will result in a simplification of the existing group structure and eliminate administrative duplications, consequently reducing the administrative costs of maintaining separate companies, reduction in overheads including administrative, managerial costs, while reducing multiple legal and regulatory compliances;
- Providing an opportunity to leverage combined assets, capabilities, experience, expertise, infrastructure of both companies enabling optimum utilization of existing resources and economies of scale;
- Improved cash flows and more efficient utilization of capital, human resources and infrastructure to create a stronger base for future growth, enhance future business potential, and achieve greater efficiencies, productivity gains and advantages by pooling of resources of the group companies thereby significantly contributing to future growth and maximizing shareholder's value;
- There is no likelihood that any creditor of the Transferor Company or the Transferee Company will be prejudiced as a result of the Scheme. The Scheme will neither impose any additional burden on the shareholders or creditors of the Transferor Company, nor will it adversely affect the interests of any of the shareholders or creditors of the Transferor Company and Transferee Company. Further, the Scheme is only for the amalgamation of the Transferor Company with the Transferee Company and is not an arrangement with the creditors of any of the entities involved.

In view of the aforesaid, the Board of Directors of the Transferor Company and the Transferee Company have considered and proposed the amalgamation of the entire undertaking and business of the Transferor Company with the Transferee Company in order to benefit the stakeholders of both the companies. Accordingly, the Board of Directors of the Transferor Company and the Transferee Company have formulated this Scheme of Amalgamation for the transfer and vesting of the entire undertaking and business of the Transferor Company with and into the Transferee Company pursuant to the provisions of Section 230 to Section 232 and other relevant provisions of the Companies Act, 2013.

Under the Scheme, there is no arrangement with the creditors, either secured or unsecured of the Transferor and/or the Transferee Company. No compromise is offered under the Scheme to any of the creditors of the Transferor Company and/or the Transferee Company. The liability of the creditors of the Transferor Company and/or the Transferee Company, under the Scheme, is neither being reduced nor being extinguished.



Information relied upon:

We have prepared the fairness opinion report on the basis of the information provided to us and inter alia the following:

- Share Exchange ratio report dated 14.12.2024 issued by Bhavesh M Rathod, Registered Valuer (Securities or Financial Assets) IBBI Registration No. IBBI/RV/06/2019/10708 (referred to as 'Valuer');
- Draft Scheme of Amalgamation;
- Other information and explanations as provided by the management;

Further, we had discussions on such matters which we believe are necessary or appropriate for the purpose of issuing the valuation report.

We assume no responsibility for the legal, tax, accounting or structuring matters including, but not limited to, legal or title concerns. Title to all subject business assets is assumed to be good and marketable and we would urge the company to carry out the independent assessment of the same.

We have been informed that all information relevant for the purpose of issuing the Fairness Opinion report has been disclosed to us and we are not aware of any material information that has been omitted or that remains undisclosed.



Valuation Approaches and Methodologies:

The valuation methodologies used by registered valuer to arrive at the value attributable to the equity shareholders of Ecoplast and KKPL are discussed hereunder:

1. Cost Approach - Net Asset Value Method ('NAV')

The Cost Approach reflects the amount that would be required currently to replace the service capacity of an asset; often referred to as current replacement cost.

2. Market Approach

a) Market Price Method:

The market price of an equity shares as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares. But there could be situations where the value of the shares as quoted on the stock market would not be regarded as a proper index of the fair value of the shares, especially where the market values are fluctuating in a volatile capital market.

Since in the subject case equity shares of a listed company i.e. Ecoplast Limited would be issued to the shareholders of KPPL, the minimum price at which shares are to be issued is prescribed under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2018 issued vide notification No. SEBI/LAD-NRO/GN/2018/31 dated 11 September 2018 and as amended from time to time.

b) Comparable Companies' Multiple (CCM) / Comparable Transactions Multiples (CTM) Method

- (i) Under CCM method, the value of equity shares of companies is determined by using multiples derived from valuations of comparable companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully.
- (ii) Under CTM, the value of shares / business of a company is determined based on market multiples of publicly disclosed transactions in the similar space as that of the subject company. Multiples are generally based on data from recent transactions in a comparable sector, but with appropriate adjustment after consideration has been given to the specific characteristics of the business being valued.



3. Income Approach:

In the income approach, we have used the Discounted Cash Flow ("DCF") Method to arrive at the fair value of the shares. Under the DCF Method, the future cash flows are discounted back to the present date, generating Net Present Value for the projected cash flow stream of the businesses. A terminal value at the end of the forecast period is also determined and the value is discounted back to the valuation date to give overall value to the company. This method is based on the cash flow of the business and is consistent with the "Going Concern" basis applicable to continuing business entities.

The free cash flows are discounted by weighted average cost of capital (WACC). The WACC represents the returns expected by the equity investors. The present value of the free cash flows during the explicit period and the perpetuity value (terminal value) indicate the value of the business.

Valuation under the DCF method is based on the projections of the Companies, as may be the case, for the projected financial years as provided to us by the management of the Companies. Projections provided by the management are only the best estimates of the Company's growth and sustainability of profitability margins.

Valuation Methodology

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Rational for selection of valuation methodology as provided by Registered Valuer are as under:

Approach	Company	Selection	Rationale for selection
Cost Approach – NAV Method	Ecoplast	X	In the present case, the business of Ecoplast and of KPPL is intended to be continued on a 'going concern basis' and there is no intention to dispose-off the assets, therefore the Cost Approach is not adopted for the present valuation exercise.
	KPPL	X	
Income Approach – DCF Method	Ecoplast	√	DCF is considered as the most scientific method as it considers the time value of money and the cash outflows required for increased levels of business forecasted. It considered relevant and appropriate in case of companies which are in the growth phase of the business cycle, as in the present case. Hence, we have relied on the DCF method for our valuation analysis for Ecoplast and KPPL.
	KPPL	√	
Market Approach – CCM	Ecoplast	√	Ecoplast and KPPL have been valued based on EV/EBITDA multiple of comparable listed companies to arrive at the fair value per share of Ecoplast and KPPL under the Market Approach.
	KPPL	√	
Market Approach – Market Price	Ecoplast	√	Ecoplast is frequently traded on BSE Accordingly Market price has been considered under Market Approach. KPPL is not listed on stock exchange, hence Market Price has not been considered.
	KPPL	X	



Conclusion ratio:

Computation of Share Exchange Ratio				
Valuation Approach	Ecoplast Limited* (Face value 10 each)		Kunal Plastics Private Limited (Face value 100 each)	
	Value Per Share (INR)	Weight	Value Per Share (INR)	Weight
Income Approach - DCF Method	593.79	50%	31,720.32	50%
Market Approach – CCM	587.64	25%	29,962.23	50%
Market Approach – Market Price Method	589.36	25%	-	0%
Relative Value Per Share	591.15		30,841.27	
Exchange Ratio			52.17	
Exchange Ratio - rounded off			52.00	
Swap Ratio				
52 (Fifty-Two) fully paid-up equity shares having face value of Rs. 10 (Rupees Ten Only) each of the Transferee Company to be issued and allotted for every 1 (One) fully paid-up equity share having face value of Rs. 100 (Rupees One Hundred Only) each of the Transferor Company.				

*Subject to obtaining approval for preferential issue from the shareholders and Stock Exchange, the Board of Directors of the Transferee Company have proposed to issue and allot 454,525 equity shares having face value of Rs. 10 each on a preferential issue basis. The effect of fund raise pursuant to proposed preferential issue has been considered in the above workings by the valuer.

Exclusions and Limitations

Our opinion and analysis are limited to the extent of review of the valuation report by the valuer and the Draft scheme document. In connection with the opinion, we have reviewed:

- A) Draft Scheme Document
- B) Valuation Report dated 14.12.2024 issued by Bhavesh M Rathod, Registered Valuer (Securities or Financial Assets) IBBI Registration No. IBBI/RV/06/2019/10708.
- C) Audited financial statements of KPPL and Ecoplast as on 31st March, 2024.
- D) Audited Financial statements of KPPL as on September 30th September, 2024.
- E) Limited Reviewed Financials Statement of Ecoplast as on September 30, 2024
- F) Projected financials of Ecoplast for the period 01st October, 2024 till 31st March 2028.
- G) Projected financials of KPPL for the period 01st October, 2024 till 31st March 2028.
- H) Held discussions with the valuer, in relation to the approach taken to valuation and the details of various methodologies utilized by them in preparing the valuation report and recommendations;



This opinion is intended only for the sole use and information of Ecoplast and KPPL in connection with the Scheme, including for the purpose of obtaining judicial and regulatory approvals, and for no other purpose. We are not responsible in any way to any person/party/statutory authority for any decision of such person or party or authority based on this opinion. Any person/party intending to provide finance or invest in the shares/business of either Ecoplast and KPPL or their subsidiaries /joint ventures/associates shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.

For the purpose of this assignment, Navigant has relied on the Valuation Certificate for the proposed "Scheme of Amalgamation" of Ecoplast and KPPL their respective shareholders and information and explanation provided to it, the accuracy whereof has not been evaluated by Navigant. Navigant's work does not constitute certification or due diligence of any past working results and Navigant has relied upon the information provided to it as set out in working results of the aforesaid reports.

Navigant has not carried out any physical verification of the assets and liabilities of the companies and takes no responsibility on the identification and availability of such assets and liabilities.

We hereby give our consent to present and disclose the Fairness Opinion in the general meetings of the shareholders of Ecoplast and KPPL, to the Stock Exchange, NCLT, and to the Registrar of Companies or any other Appropriate Authority. Our opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed scheme of Amalgamation with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon.

The information contained in this report is selective and is subject to updating, expansions, revisions and amendment, if any. It does not purport to contain all the information recipients may require. No obligation is accepted to provide recipients with access to any additional information or to correct any inaccuracies which might become apparent. Recipients are advised to independently conduct their own investigation and analysis of the business of the Companies.

The report has been prepared solely for the purpose of giving a fairness opinion on Valuation Certificate issued for the proposed Scheme of Amalgamation between Ecoplast and KPPL their respective shareholders and Creditors, if any and may not be applicable or referred to or quoted in any other context.

Our opinion is dependent on the information provided to us being complete and accurate in all material respects. Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us.

The scope of our assignment does not involve performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information used during the course of our work. As such we have not performed any audit, review or examinations of any of the historical or prospective information used and, therefore, do not express any opinion with regard to the same. In addition, we do not take any responsibility for any changes in the information used for any reason, which may occur subsequent to this date.



One should note that valuation is not an exact science and that estimating values necessarily involves selecting a method or approach that is suitable for the purpose.

We have assumed that the Final Scheme will not differ in any material respect from the Draft Scheme Document shared with us.

Our opinion is based on the estimates of future financial performance as projected by the Company Management / valuer, which represents their view of reasonable expectation at the point of time when they were prepared, but such information and estimates are not offered as assurances that the particular level of income or profit will be achieved or events will occur as predicted. Actual results achieved during the period covered by the prospective financial statements may vary from those contained in the statement and the variation may be material. The fact that we have considered the projections as projected by the management / valuer for their working purposes, should not be construed or taken as our being associated with or a party to such projections.

We do not express any opinion as to any tax or other consequences that might arise from the Scheme on Ecoplast and KPPL and their respective shareholders, nor does our opinion address any legal, tax, regulatory or accounting matters, as to which we understand that the respective companies have obtained such advice as they deemed necessary from qualified professionals. We have undertaken no independent analysis of any potential or actual litigation, regulatory action, possible unasserted claims, government investigation or other contingent liabilities to which Ecoplast and KPPL and/or their associates/ subsidiaries, are or may be party.

The company has been provided with an opportunity to review the Draft Opinion as part of our standard practice to make sure that factual inaccuracy/omissions are avoided in our Final Opinion. Our Opinion is not intended to and does not constitute a recommendation to any shareholder as to how such holder should vote or act in connection with the Scheme or any matter thereto.



Our Fairness Opinion:

Based upon valuation work carried out by Bhavesh M Rathod, Registered Valuer (Securities or Financial Assets) IBBI Registration No. IBBI/RV/06/2019/10708 (referred to as 'Valuer') we are of the opinion that the share exchange ratio for the purpose of the proposed Amalgamation of Ecoplast and KPPL is fair, from a financial point of view.

The fairness of the Proposed Amalgamation / Merger is tested by:

- (1) Considering whether the Valuation methods adopted by Bhavesh M Rathod, Registered Valuer (Securities or Financial Assets) IBBI Registration No. IBBI/RV/06/2019/10708 (referred to as 'Valuer') depict a correct picture on the value of shares of all companies;
- (2) Calculating the fair market value of companies;

The rationale for Share Exchange ratio as explained above, as assumed by Bhavesh M Rathod, Registered Valuer (Securities or Financial Assets) IBBI Registration No. IBBI/RV/06/2019/10708 (referred to as 'Valuer') is justified. We are of the opinion that, Bhavesh M Rathod, Registered Valuer (Securities or Financial Assets) IBBI Registration No. IBBI/RV/06/2019/10708 (referred to as 'Valuer') has fairly estimated the fair value of companies and has covered all the aspects required for the valuation exercise.

This being of our best of professional understanding, we hereby sign the Fairness Opinion report on valuation.

For Navigant Corporate Advisors Limited



Sarthak Vijlani
Managing Director
Date: 14.12.2024
Place: Mumbai

