



REPORT ADOPTED BY THE BOARD OF DIRECTORS OF TPL PLASTECH LIMITED ('COMPANY') IN ACCORDANCE WITH SECTION 232(2)(C) OF THE COMPANIES ACT, 2013 AT ITS MEETING HELD ON 11TH FEBRUARY, 2020.

1. The Board of Directors ('Board') of the Company at their meeting held on 11th February, 2020 had approved a draft of the proposed Scheme of Arrangement between Ecotech Green Lifecycle Limited ('Transferor Company - EGLL') and TPL Plastech Limited ('Transferee Company- TPL') and their respective shareholders.

The Transferor Company (EGLL) is a wholly owned subsidiary of Transferee Company (TPL) and therefore upon amalgamation of Transferor Company with Transferee Company in terms of the Scheme becoming effective, the entire paid-up share capital i.e. equity share capital of the Transferor Company held by the Transferee Company shall without any act or deed stand automatically cancelled and be extinguished and in lieu thereof and the Transferee Company shall not be required to issue and / or allot any shares to the members of the Transferor Company.

The Scheme was approved by the Audit Committee at its meeting held on 11th February, 2020.

2. As per Section 232(2) (c) of the Companies Act, 2013 a report is required to be adopted by the Directors explaining effect of the Scheme on each class of shareholders, key managerial personnel, promoters, non-promoter shareholders of the Company laying out in particular the Share exchange ratio, specifying any special valuation difficulties.
3. Having regard to the applicability of the aforesaid provisions, the scheme and the following documents are placed before the Board;
 - a. Certificate dated 11th February, 2020 from Raman S Shah & Associates, Chartered Accountants, the Statutory Auditors of the Company confirming that the

TPL Plastech Ltd.

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accounting treatment in the draft Scheme is in accordance with the applicable accounting standards and applicable law.

- b. A copy of the Audit Committee Report dated 11th February, 2020 in terms of the requirement of circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 issued by the Securities and Exchange Board of India.

4. Rationale of the Scheme

Ecotech Green Lifecycle Limited is a wholly owned subsidiary of TPL Plastech Limited, the Transferee Company. Both the Companies are part of the same group.

Accordingly, the Board of Directors of the Transferor Company and the Transferee Company has decided to amalgamate the Transferor Company together with their business and undertaking, with the Transferee Company, so as to achieve the following benefits:

- a) Greater integration and greater financial strength and flexibility for the amalgamated entity, which would result in maximizing overall shareholder value and will improve the competitive position of the combined entity.
- b) Consolidation of business of the Transferor Company and the Transferee Company into a single entity which would result in the business activities to be carried out with greater focus and specialization thus, leading to the objective of achieving sustained growth.
- c) The Transferee Company believe that the financial managerial and technical resources, personnel, capabilities, skills, expertise and technologies of the Transferor Company pooled in the merged entity will lead to increased competitive strength, cost reduction and efficiencies thereby significantly contributing to future growth.
- d) Improved allocation of capital and optimization of cash flows contributing to the overall growth prospects of the combined entity.

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- e) The proposed amalgamation is in line with the global trend to achieve size, scale, and creation of a larger asset base by consolidation of the assets, integration and greater financial strength and flexibility, in the interest of maximizing shareholders value.
- f) Enable the shareholders of TPL Plastech Limited to get direct participation in the business of its present wholly owned subsidiary (being Ecotech Green Lifecycle Limited)
- g) Simplified group and business structure;
- h) The consolidation of legal entities would result in reduced number of entities within the group. This would minimize cost and administrative hassle of maintaining multiple legal entities;
- i) The aforesaid synergistic benefits accruing from the consolidation would ultimately contribute to the future business and profitability of the merged entity. The amalgamation of Transferor Company and Transferee Company is, therefore, beneficial in the long-term interests of the shareholders and all stake holders of these companies.
- j) Reducing time and efforts for consolidation of financials at group level.

Thus, as a whole, amalgamation of the Transferor Company with the Transferee Company in terms of the Scheme will be beneficial for both the companies, their shareholders, their creditors, employees, customers and all others concerned with the two companies.

5. Effect of the Scheme on Stakeholders

Sr. No.	Category of Stakeholder	Effect of the Scheme
(i)	Shareholders	Ecotech Green Lifecycle Limited (EGLL) is a wholly owned subsidiary of TPL Plastech Limited (TPL) the Transferee Company and therefore upon amalgamation of Transferor Company with

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		Transferee Company in terms of the Scheme becoming effective, the entire paid-up share capital i.e., equity share capital of the Transferor Company (EGLL) held by the Transferee Company (TPL) shall without any act or deed stand automatically cancelled and be extinguished and in lieu thereof and the Transferee Company shall not be required to issue and / or allot any shares to the members of the Transferor Companies.
(ii)	Promoters	Promoters of the Transferor Company and the Transferee company are same. All the shares of the Transferor Company is held by the Transferee Company and its nominees.
(iii)	Non- Promoter Shareholders	There are no Non Promoter shareholders in the Transferor Company
(iv)	Employees	Under Clause 3.2.6 of the Scheme, on and from the Effective Date, TPL undertakes to engage all the Employees of EGLL on the same terms and conditions on which they are engaged by EGLL without any interruption of services and in the manner provided under clause 3.2.6 of the Scheme. In the circumstances, the rights of the Employees of EGLL would in no way be affected by the Scheme.

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		The services of the Employees of TPL, under the scheme, shall continue on the same terms and conditions on which they were engaged by TPL.
(iv)	Key Managerial Personnel	The Key managerial Personnel of the Transferor Company (KMP's) shall continue as Key Managerial Personnel of the Transferee Company after effectiveness of the Scheme


5.1 There is no effect of the Scheme on creditors of Ecotech Green Lifecycle Limited (EGLL) and TPL Plastech Limited (TPL).

6) **Adoption of Report by the Directors**

The Directors of the Company have adopted this report after noting and considering information set forth in this report. The Board or any duly authorised person/ committee by the Board is entitled to make relevant modification to this report, if required, and such modifications or amendments shall be deemed to form part of this report.

7) No special valuation difficulties were reported

By Order of the Board
For TPL Plastech Limited


Mangesh Sarfare
Director
DIN:- 07793543

Dated 11th February, 2020

Place: Mumbai

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