

KEYNOTE

June 18, 2018

The Board of Directors
Borosil Glass Works Limited
Khanna Construction House,
44, R.G. Thadani Marg,
Worli, Mumbai- 400018
Maharashtra, India

The Board of Directors
Gujarat Borosil Limited
Village - Govali, Taluka - Jhagadia,
District - Bharuch,
Gujarat - 393 001

The Board of Directors
Vyline Glass Works Limited
107, Famous Cine Studio Building,
20, Dr. E. Moses Road,
Mahalaxmi, Mumbai - 400 011
Maharashtra, India

The Board of Directors
Fennel Investment and Finance Private Limited
1101, Crescenzo, G-Block,
Opp. MCA Club, Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051
Maharashtra, India

The Board of Directors
Hopewell Tableware Private Limited
1101, Crescenzo, G-Block,
Opp. MCA Club, Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051
Maharashtra, India

Dear Sir/Madam,

Reg: Fairness Opinion towards the valuation for the proposed Composite Scheme of Amalgamation and Arrangement between Vyline Glass Works Ltd ("VGWL"), Gujarat Borosil Limited (GBL) and Fennel Investment and Finance Private Limited ("FIFPL") with Borosil Glass Works Limited ("BGWL")
And
Demerger of the Scientific and Industrial products and Consumer products business of BGWL along with the existing business of VGWL vested in BGWL pursuant to amalgamation of VGWL with BGWL into Hopewell Tableware Private Limited ("HTPL")

According to the SEBI Circulars dated March 10, 2017 and March 23, 2017, we have been requested to issue a fairness report on the valuation of the proposed Composite Scheme of Amalgamation and Arrangement between Borosil Glass Works Limited, Gujarat Borosil Limited, Vyline Glass Works Ltd,

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Keynote Corporate Services Limited

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Fennel Investment and Finance Private Limited and Hopewell Tableware Private Limited. We have perused the documents/ information provided by you in respect of the said Composite Scheme of Amalgamation and Arrangement and the Valuation Report as issued by **SSPA & Co.** (*hereafter referred to as "SSPA"*) dated June 18, 2018 and state as follows:

Company Profile:

Borosil Glass Works Limited (BGWL) was established in the year 1962 in collaboration with Corning Glass Works, USA. Borosil is the market leader for laboratory glassware and microwavable kitchenware in India. The company undertakes business mainly through 2 divisions, Scientific and industrial products division and the Consumer products division. The scientific and industrial products division mainly sells laboratory glassware viz. beakers, bottles, burettes, condensers, cones, cylinders, desiccators, dishes, distilling apparatus etc. The consumer products division offers gourmets, casseroles, mixing bowls, dishes, smart-lid dishes, bowls and plates, and combination sets; vision glasses, carafes, jugs, cups and saucer sets etc. The shares of BGWL are listed on BSE Limited and National Stock Exchange of India Limited.

Gujarat Borosil Limited (GBL) was incorporated in the year 1988 and is engaged in the business of manufacturing and selling of flat glass in India. Also offers patterned glass for architectural applications and make available a superior product with exclusive designs for shower cubicles, partitions and tabletops etc. and low iron solar glass for various applications in photovoltaic panels, flat plate collectors, and greenhouses. It also exports its products to various countries and currently significant portion of its production is being exported. The shares of Gujarat Borosil are listed on BSE Limited.

Vyline Glass Works Limited (VGWL) was incorporated in 1987 and is engaged in the business of manufacturing glassware items and sells its products mainly to BGWL. Products include specialty glassware items comprising of scientific products such as Burettes, Pipettes, Cylinders & flasks and industrial as well as Consumer ware finished products.

Hopewell Tableware Private Limited (HTPL) was established in 2010 and is engaged in the manufacturing of opal and melamine glassware items from its factory at Jaipur-Rajasthan and have its registered office at Mumbai-Maharashtra. They serve the retail, hospitality and the corporate sector. HTPL is a 100% subsidiary of BGWL.

Fennel Investment and Finance Private Limited (FIFPL) was established in 2002. It is a Non-Banking Financial Company having its registered office in Mumbai-Maharashtra. Its main business is that of making investments.

Transaction background:

In order to simplify the business organization structure, Borosil Glass Works Limited proposes to merge three companies viz. Gujarat Borosil Limited, Vyline Glass Works Limited and Fennel Investment and Finance Private Limited into itself by issuing shares to the shareholders of Gujarat Borosil Limited, Vyline Glass Works Limited and Fennel Investment and Finance Private Limited.

Post this, all assets and liabilities pertaining to business of scientific and industrial products and consumer products of Borosil Glass Works Limited along with the business of Vyline Glass Works Limited vested in Borosil Glass Works Limited pursuant to amalgamation of Vyline Glass Works Limited with Borosil Glass Works Limited relating thereto will be demerged into Hopewell Tableware Private Limited by issuing shares to the shareholders of Borosil Glass Works Limited



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Rationale of the Report:

We have been informed that, pursuant to a Composite Scheme of Amalgamation and Arrangement under sections 230 – 232 read with other relevant provisions of the Companies Act, 2013 (hereinafter referred to as "the Scheme") and subject to necessary approvals, VGWL, GBL and FIFPL would be merged into BGWL and Demerger of the Scientific & Industrial products and Consumer products business of BGWL along with the existing business of VGWL vested in BGWL pursuant to amalgamation of VGWL with BGWL into HTPL

According to the SEBI Circulars - Paragraph 8 of March 10, 2017 and paragraph 2 of March 23, 2017 SEBI Circulars, we have been requested to suggest Fairness on the Share Exchange ratio for the issue of equity shares of BGWL to the shareholders of GBL, VGWL and FIFPL and on the Share Entitlement Ratio for the issue of equity shares of HTPL to the shareholders of BGWL for the purpose of the proposed transaction

Sources of Information:

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

- a) Valuation Report by SSPA & Co. dated June 18, 2018;
- b) Historical Financial statements of the VGWL, HTPL, FIFPL, GBL and BGWL for the year ended March 31, 2016, March 31, 2017 and March 31, 2018.
- c) Projected Financials of VGWL, GBL, BGWL and HTPL for FY 2018-19 to FY 2022-23;
- d) Draft Composite Scheme of Amalgamation and Arrangement;
- e) Other relevant information/documents regarding VGWL, HTPL, FIFPL, GBL and BGWL including information available through public domain

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

Our Recommendation:

As stated in the Valuation Report, SSPA & Co. has recommended the following:

Merger of GBL, VGWL and FIFPL into BGWL:

- a. **1 (One) equity share of BGWL of INR 1 each fully paid up for every 8 (Eight) equity shares of GBL of INR 5 each fully paid up**
- b. **100 (One Hundred) equity shares of BGWL of INR 1 each fully paid up for every 162 (One Hundred and Sixty Two) equity shares of VGWL of INR 10 each fully paid up**
- c. **100 (One Hundred) equity shares of BGWL of INR 1 each fully paid up for every 218 (Two Hundred and Eighteen) equity shares of FIFPL of INR 10 each fully paid up**

Demerger of business of BGWL into HTPL:

- a. **1(One) equity shares of HTPL of INR 10 each fully paid up for every 10(Ten) equity shares of BGWL of INR 1 each fully paid up**

The aforesaid Composite Scheme Amalgamation and Arrangement shall be pursuant to the Proposed Composite Scheme of Amalgamation and Arrangement and shall be subject to receipt of approval from the NCLT and other statutory approvals as may be required. The detailed terms and conditions are more fully set forth in the Proposed Composite Scheme of Amalgamation and Arrangement. Keynote has issued



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the fairness opinion with the understanding that Proposed Composite Scheme of Amalgamation and Arrangement shall not be materially altered and the parties hereto agree that the Fairness Opinion would not stand good in case the Final Composite Scheme of Amalgamation and Arrangement alters the transaction.

Based on the information, data made available to us, including the Valuation Report, to the best of our knowledge and belief, the valuation as suggested by SSPA & Co. proposed under the Composite Scheme of Amalgamation and Arrangement is fair in our opinion.

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 BGWL, HTPL, GBL, FIFPL and VGWL for the purpose of this opinion. With respect to the estimated financials provided to us by the management, we have assumed that such financials were prepared in good faith and reflect the best currently available estimates and judgments by the managements of BGWL, HTPL, GBL, FIFPL and VGWL. We express no opinion and accordingly accept no responsibility with respect to or for such estimated financials or the assumptions on which they were based. 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 VGWL, HTPL, FIFPL, GBL and BGWL. We have solely relied upon the information provided to us by the management. We have not reviewed any books or records of VGWL, HTPL, FIFPL, GBL and BGWL (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 VGWL, HTPL, FIFPL, GBL and BGWL 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 VGWL, HTPL, FIFPL, GBL and BGWL. 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 BGWL, HTPL, GBL, FIFPL and VGWL for the purpose of this opinion. We are not experts in the evaluation of litigation or other actual or threaten claims and hence have not commented on the effect of such litigation or claims on the valuation. We are not legal, tax, regulatory or actuarial advisors. We are financial advisors only and have relied upon, without independent verification, the assessment of VGWL, HTPL, FIFPL, GBL and BGWL with respect to these matters. In addition, we have assumed that the Proposed Composite Scheme of Amalgamation and Arrangement 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 Proposed Composite Scheme of Amalgamation and Arrangement.

We understand that the managements of BGWL, VGWL, GBL, FIFPL and HTPL 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 for the Proposed Composite Scheme of Amalgamation and Arrangement, no restrictions will be imposed that will have a material adverse effect on the benefits of the transaction that BGWL, HTPL, GBL, FIFPL and VGWL 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,



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business combination or other extra-ordinary transaction involving VGWL, HTPL, FIFPL, GBL and BGWL or any of its assets, nor did we negotiate with any other party in this regard.

We have acted as a financial advisor to BGWL, HTPL, GBL, FIFPL and VGWL for providing a fairness opinion on the proposed transaction and will receive professional fees 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.

It is understood that this letter is solely for the benefit of and confidential use by the Board of Directors of Borosil for the purpose of this transaction and may not be relied upon by any other person and may not be used or disclosed for any other purpose without our prior written consent. The opinion is not meant for meeting any other regulatory or disclosure requirements, save and except as specified above, under any Indian or foreign law, Statute, Act, guideline or similar instruction. Management should not make this report available to any party, including any regulatory or compliance authority/agency except as mentioned above. The letter is only intended for the aforementioned specific purpose and if it is used for any other purpose; we will not be liable for any consequences thereof.

We express no opinion whatever and make no recommendation at all as to VGWL, HTPL, FIFPL, GBL and BGWL 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 VGWL, HTPL, FIFPL, GBL and BGWL should vote at their respective meetings 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 BGWL and GBL will trade following the announcement of the transaction or as to the financial performance of VGWL, HTPL, FIFPL, GBL and BGWL following the consummation of the transaction.

In no circumstances however, will Keynote Corporate 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 Corporate Services Limited or its associates, directors or employees by any third party, VGWL, HTPL, FIFPL, GBL and BGWL and their affiliates shall indemnify them.

For **KEYNOTE CORPORATE SERVICES LTD**



Uday Patil
Director – Investment Banking
SEBI Registration No. INM000003606
(Merchant Banker)

